
CrediWire ApS

c/o The Lab, Copenhagen FinTech, Applebys Plads 7, DK-1411 København K

Annual Report for 1 July 2019 - 30 June 2020

CVR-nr. 37 26 46 28

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/9 2020

Mads Harboe
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CrediWire ApS for the financial year 1 July 2019 - 30 June 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2020 of the company and of the results of the company operations for 2019/20.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København K, 28 September 2020

Executive Board

Nicholas Meilstrup
CEO

Board of Directors

Jørgen Allan Horwitz
Chairman

Carsten Dyrup Revsbech

Jesper Theill Eriksen

Jens Sørensen

Hans-Erik Lind

Independent Auditor's report

To the shareholder of CrediWire ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CrediWire ApS for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 September 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

state authorised public accountant

mne16675

Company information

The Company	CrediWire ApS c/o The Lab, Copenhagen FinTech Applebys Plads 7 DK-1411 København K Telephone: 91540965 Website: info@credewire.com CVR No: 37 26 46 28 Financial period: 1 July 2019 - 30 June 2020 Municipality of reg. office: Copenhagen
Board of Directors	Jørgen Allan Horwitz, Chairman Carsten Dyrup Revsbech Jesper Theill Eriksen Jens Sørensen Hans-Erik Lind
Executive board	Nicholas Meilstrup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup
Bankers	Handelsbanken Arne Jacobsens Allé 15 2300 København S

Income statement 1 July 2019 - 30 June 2020

	Note	2019/20 DKK	2018/19 DKK
Gross profit/loss		2,549,173	1,565,287
Staff expenses	3	-6,750,255	-2,941,094
Amortisation and impairment losses of intangible assets		-110,041	0
Profit/loss before financial income and expenses		-4,311,123	-1,375,807
Financial income		4	42
Financial expenses		-269,775	-6,794
Profit/loss before tax		-4,580,894	-1,382,559
Tax on profit/loss for the year	4	1,023,608	310,586
Net profit/loss for the year		-3,557,286	-1,071,973

Distribution of profit

	2019/20 DKK	2018/19 DKK
Proposed distribution of profit		
Transfer for the year to other reserves	2,016,750	945,396
Retained earnings	-5,574,036	-2,017,369
	-3,557,286	-1,071,973

Balance sheet 30 June 2020

Assets

	Note	2019/20	2018/19
		DKK	DKK
Completed development projects		990,367	0
Development projects in progress		5,996,840	4,401,630
Intangible assets	5	<u>6,987,207</u>	<u>4,401,630</u>
Deposits		60,000	95,000
Fixed asset investments		<u>60,000</u>	<u>95,000</u>
Fixed assets		<u>7,047,207</u>	<u>4,496,630</u>
Trade receivables		715,693	0
Other receivables		243,500	11,718,415
Corporation tax		1,047,162	1,147,874
Prepayments		21,846	0
Receivables		<u>2,028,201</u>	<u>12,866,289</u>
Cash at bank and in hand		<u>10,318,867</u>	<u>288,433</u>
Current assets		<u>12,347,068</u>	<u>13,154,722</u>
Assets		<u>19,394,275</u>	<u>17,651,352</u>

Balance sheet 30 June 2020

Liabilities and equity

	Note	2019/20 DKK	2018/19 DKK
Share capital		319,894	319,827
Reserve for development costs		5,450,021	4,378,667
Retained earnings		4,841,679	9,458,082
Equity	6	<u>10,611,594</u>	<u>14,156,576</u>
Provision for deferred tax		260,301	690,873
Provisions		<u>260,301</u>	<u>690,873</u>
Credit institutions		4,000,000	0
Other payables		998,328	0
Long-term debt	7	<u>4,998,328</u>	<u>0</u>
Credit institutions		23,770	62,796
Trade payables		202,899	775,626
Payables to owners and Management		0	6,406
Other payables		1,425,733	1,513,438
Deferred income		1,871,650	445,637
Short-term debt		<u>3,524,052</u>	<u>2,803,903</u>
Debt		<u>8,522,380</u>	<u>2,803,903</u>
Liabilities and equity		<u>19,394,275</u>	<u>17,651,352</u>
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Notes to the financial statement

1. Unusual conditions

The COVID-19 lock-down has affected Credewire's revenue substantially. For most of the pilot projects that the Company was running with large corporates (including banks), final decisions for implementation of our service has been postponed. Management has adjusted to the circumstances by slowing down recruitment of new employees, increased efforts on shorter sales cycles and producing measurable results for our customers.

2. Key activities

The company's most important activities is to produce, develop and operate IT and IT related products.

3. Staff Expenses

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
Wages and salaries	6,478,530	2,885,912
Pensions	247,995	41,802
Other social security expenses	23,730	13,380
	<u>6,750,255</u>	<u>2,941,094</u>
Average number of employees	<u>10</u>	<u>6</u>

4. Income tax expense

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK
Current tax for the year	-593,036	-454,126
Deferred tax for the year	-430,572	143,540
	<u>-1,023,608</u>	<u>-310,586</u>

Notes to the financial statement

5. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1 July	0	4,401,630
Additions for the year	0	2,695,618
Transfers for the year	1,100,408	-1,100,408
Cost at 30 June	<u>1,100,408</u>	<u>5,996,840</u>
Impairment losses and amortisation at 1 July	0	0
Amortisation for the year	110,041	0
Impairment losses and amortisation at 30 June	<u>110,041</u>	<u>0</u>
Carrying amount at 30 June	<u>990,367</u>	<u>5,996,840</u>
Amortised over	<u>10 years</u>	

Special conditions regarding development projects and tax assets

The development project consists of costs incurred aimed at developing the service of CrediWire. CrediWire's service is a platform between companies, auditors, banks, lawyers and other relevant stakeholders to a company. The platform is developed both functionally for the users and internationally. It is uncertain to determine a final of the project, as the company provides a path-breaking service that is developed in an iterative process with no final pre-existing goal. The service is evaluated constantly by the users. Management has evaluated that parts of the product (10-20%) is finalized as per year end, which is amortised over 10 years.

It is expected to finalize further parts of the project during 2021/22.

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

Notes to the financial statement

6. Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 July	319,827	3,433,271	10,403,478	14,156,576
Cash capital increase	67	0	12,237	12,304
Development costs for the year	0	2,016,750	0	2,016,750
Net profit/loss for the year	0	0	-5,574,036	-5,574,036
Equity at 30 June	319,894	5,450,021	4,841,679	10,611,594

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019/20	2018/19
	DKK	DKK
Credit institutions		
After 5 years	1,400,000	0
Between 1 and 5 years	2,600,000	0
Long-term part	4,000,000	0
Within 1 year	0	0
Other short-term debt to credit institutions	23,770	62,796
Short-term part	23,770	62,796
	4,023,770	62,796
Other payables		
After 5 years	0	0
Between 1 and 5 years	998,328	0
Long-term part	998,328	0
Other short-term payables	1,425,733	1,513,438
	2,424,061	1,513,438

Notes to the financial statement

	<u>2019/20</u>	<u>2018/19</u>
	DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	24,468	0
Between 1 and 5 years	<u>79,236</u>	<u>0</u>
	<u>103,704</u>	<u>0</u>

Notes to the financial statement

9. Accounting policies

The Annual Report for CrediWire ApS for 2019/20 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Net sales

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, direct expenses and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Notes to the financial statement

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the financial statement

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.