

M-PAYG APS

UMA Workspace
Vestergade 29, st,
1456 København K

CVR No. 37267570

Annual Report 2020

5. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 8 July 2021

Niels Thomas Agner Hansen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of M-PAYG APS for the financial year 1 January 2020 - 31 December 2020.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

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

Copenhagen, 8 July 2021

Executive Management

Niels Thomas Agner Hansen
CEO

David Reerman Dizon
CPO

Board of Directors

Iver Alex Tesdorpf Unsgaard
Chairman

Per Reimer
Member

Camilla Bredholt
Member

Auditors' Report on Compilation of Financial Statements

To the day-to-day management of M-PAYG APS

We have compiled the Financial Statements of M-PAYG APS for the financial year 1 January 2020 - 31 December 2020 based on the Company's bookkeeping and other information provided by it.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Copenhagen, 8 July 2021

HARBOE CONSULT ApS - GODKENDT REVISIONSVIRKSOMHED

CVR-no. 35649417

Michael Harboe
Registered Public Accountant
mne661

Company details

Company	M-PAYG APS UMA Workspace Vestergade 29, st, 1456 København K
Telephone	31 44 14 84
email	david@mpayg.com
CVR No.	37267570
Date of formation	1 December 2015
Registered office	København
Supervisory Board	Iver Alex Tesdorpf Unsgaard Per Reimer Camilla Bredholt
Executive Board	Niels Thomas Agner Hansen, Man. Director David Reerman Dizon, Manager
Auditors	HARBOE CONSULT ApS - GODKENDT REVISIONSVIRKSOMHED Grønningen 17, st. th. 1270 København K CVR-no.: 35649417

Management's Review

Primary activities

The main activity for M-PAYG is to design, develop and produce small-scale decentralized solar home systems and source complementary appliances that are affordable to low-income households and smaller businesses in emerging markets. M-PAYG's core mission is to offer the best tailored energy solutions to people without. M-PAYG facilitates that customers can buy the products on credit from relevant financial partners and repay their monthly instalments through mobile payments.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK -4.217.392 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 7.625.962 and an equity of DKK 4.471.672.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which could influence the evaluation of this annual report.

Accounting Policies

Reporting Class

The Annual Report of M-PAYG APS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	5 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Income from investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Accounting Policies

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2020 kr.	2019 kr.
Gross profit		-1.046.283	-229.589
Employee benefits expense	1	-1.387.692	-566.029
Depreciation, amortisation expense and impairment losses of development costs		-635.470	-627.312
Writedowns of current assets		-1.263.537	-1.476.629
Profit from ordinary operating activities		-4.332.981	-2.899.559
Income from investments in group enterprises and associates		0	-6.796
Other finance income from group enterprises		37.653	0
Other finance income		0	128.918
Finance expenses arising from group enterprises		-173.682	0
Other finance expenses		-12.740	-55.155
Profit from ordinary activities before tax		-4.481.749	-2.832.592
Tax expense on ordinary activities	2	264.359	621.078
Profit		-4.217.390	-2.211.514
Proposed distribution of results			
Transferred to Reserve for development expenditures		642.368	523.361
Retained earnings		-4.859.758	-2.734.875
Distribution of profit		-4.217.390	-2.211.514

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Completed development projects	3	3.212.858	2.550.040
Development projects in progress	4	1.459.018	1.298.288
Intangible assets		4.671.877	3.848.328
Long-term investments in group enterprises	5, 6	0	0
Deposits	7	19.845	19.845
Investments		19.845	19.845
Fixed assets		4.691.721	3.868.173
Manufactured goods and goods for resale		1.342.596	181.831
Inventories		1.342.596	181.831
Short-term receivables from group enterprises		1.073.647	766.546
Current deferred tax		0	56.625
Short-term tax receivables		320.984	285.623
Other short-term receivables		154.579	131.666
Receivables		1.549.210	1.240.460
Cash and cash equivalents		42.435	75.878
Current assets		2.934.240	1.498.170
Assets		7.625.962	5.366.343

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital		1.999.932	164.252
Share premium		10.306.125	7.041.805
Reserve for development expenditure		3.644.064	3.001.696
Retained earnings		-11.478.449	-6.618.691
Equity		4.471.672	3.589.062
Convertible, profit yielding or dividend yielding debt instruments		2.726.394	1.552.712
Long-term liabilities other than provisions	8	2.726.394	1.552.712
Trade payables		118.618	138.668
Other payables		309.278	85.900
Short-term liabilities other than provisions		427.896	224.569
Liabilities other than provisions within the business		3.154.290	1.777.281
Liabilities and equity		7.625.962	5.366.343
Contingent liabilities	9		
Collaterals and assets pledges as security	10		

Statement of changes in Equity

	Contributed capital	Share premium	Reserve for Development expenditure	Retained earnings	Total
Equity 1 January 2020	164.252	7.041.805	3.001.696	-6.618.691	3.589.062
Changes of equity through corrections of errors	880	99.120	0	0	100.000
Adjusted equity 1 January 2020	165.132	7.140.925	3.001.696	-6.618.691	3.689.062
Increase of capital	1.834.800	3.165.200	0	0	5.000.000
Profit (loss)	0	0	642.368	-4.859.758	-4.217.390
Equity 31 December 2020	1.999.932	10.306.125	3.644.064	-11.478.449	4.471.672

The share capital has developed as follows:

	2020	2019	2018	2017	2016
Balance at the beginning of the year	164.252	164.252	126.562	100	100
Correction at the beginning of the year	880	0	0	0	0
Addition during the year	1.834.800	0	37.690	126.462	0
Balance at the end of the year	1.999.932	164.252	164.252	126.562	100

Notes

	2020	2019
1. Employee benefits expense		
Wages and salaries	2.002.255	1.102.449
Social security contributions	14.885	20.917
Employee expenses transferred to assets	-648.000	-609.000
Other employee expense	18.552	51.663
	1.387.692	566.029
Average number of employees	2	3
2. Tax expense		
Deferred tax, adjustment	56.625	-335.455
Payout through the tax credit scheme	-320.984	-285.623
	-264.359	-621.078
3. Completed development projects		
Cost at the beginning of the year	3.177.352	3.136.553
Addition during the year, incl. improvements	1.298.288	40.799
Cost at the end of the year	4.475.640	3.177.352
Depreciation and amortisation at the beginning of the year	-627.312	0
Amortisation for the year	-635.470	-627.312
Impairment losses and amortisation at the end of the year	-1.262.782	-627.312
Carrying amount at the end of the year	3.212.858	2.550.040
4. Development projects in progress		
Cost at the beginning of the year	1.298.288	40.799
Addition during the year, incl. improvements	1.459.018	1.298.288
Disposal during the year	-1.298.288	-40.799
Cost at the end of the year	1.459.018	1.298.288
Carrying amount at the end of the year	1.459.018	1.298.288

Notes

	2020	2019
5. Long-term investments in group enterprises		
Cost at the beginning of the year	6.796	6.796
Cost at the end of the year	6.796	6.796
Revaluations at the beginning of the year	-6.796	0
Revaluations for the year	0	-6.796
Revaluations at the end of the year	-6.796	-6.796
Carrying amount at the end of the year	0	0

6. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in		Equity	Profit
			%		
M-payg Limited	Tanzania		99,00	0	0
M-payg EA Limited	Kenya		100,00	-2.505.548	-1.015.790
M-payg Malawi Limited	Malawi		100,00	0	0
				-2.505.548	-1.015.790

7. Deposits

Carrying amount at the beginning of the year	19.845	19.845
Carrying amount at the end of the year	19.845	19.845
Carrying amount at the end of the year	19.845	19.845

8. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Convertible, profit yielding or dividend yielding debt instruments	2.726.394	0	0
	2.726.394	0	0

9. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Impact Invest ApS which is the administration company in the joint taxation.

10. Collaterals and securities

No securities or mortgages exist at the balance sheet date.