



Cardlay Holding ApS

Billedskærervej 17
5230 Odense M
CVR No. 37447153

Annual report 2019

The Annual General Meeting adopted the
annual report on 20.08.2020

Jørgen Christian Juul

Chairman of the General Meeting

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Entity details

Entity

Cardlay Holding ApS

Billedskærervej 17

5230 Odense M

CVR No.: 37447153

Registered office: Odense

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Torben Frigaard Rasmussen, Chairman

Johan Wolf

Lars Andersen

Thorleif Krarup

Jørgen Christian Juul

Executive Board

Jørgen Christian Juul, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Cardlay Holding ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 20.08.2020

Executive Board

Jørgen Christian Juul
Chief Executive Officer

Board of Directors

Torben Frigaard Rasmussen
Chairman

Johan Wolf

Lars Andersen

Thorleif Krarup

Jørgen Christian Juul

Independent auditor's report

To the shareholders of Cardlay Holding ApS

Opinion

We have audited the financial statements of Cardlay Holding ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

Material uncertainty related to going concern

As stated in the management commentary, note 1 and 2, the Company's subsidiary is still in the early stages of its growth phase, and, as in earlier years, has worked on its development projects in progress for the year. The subsidiary continues to further enhance and develop its products and expects it will continue to require additional funding from time to time to continue with development and sale of its projects at a desired level.

The subsidiary's business, by nature, include sales from which the timing of actual cash flow can be difficult to predict and which is currently impacted adversely by the on-going pandemic. As a result the subsidiary has adapted its operating costs accordingly.

The subsidiary expects to be able to meet its obligations for 2020 due to the abovementioned steps.

We refer to the management commentary, note 1 and note 2, in which the situation and the uncertainty are specified. At the time of presentation of the financial statements, the Company has performed according to its forecast for 2020. Consequently, the financial statements have been presented on the assumption that the Company is going concern. In that respect, we have not modified our audit 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity's internal control.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Jørgensen Baes

State Authorised Public Accountant
Identification No (MNE) mne14956

Management commentary

Primary activities

The object of the company is to provide IT consultancy and, in the opinion of the Board, all related activities.

Development in activities and finances

The loss for the year is DKK 23,579 thousand. Management assesses the performance for the year less satisfactory.

The company has for the year 2019 invested 43,471 thousand in its subsidiary, Cardlay A/S.

Going Concern

The subsidiary, Cardlay A/S, is still in the early stages of its growth phase, and, as in earlier years, has worked on its development projects in progress for the year. The Company continues to further enhance and develop its products and expects it will continue to require additional funding from time to time to continue with development and sale of its projects at a desired level.

The subsidiary's business, by nature, include sales from which the timing of actual cash flow can be difficult to predict and which is currently impacted adversely by the on-going pandemic. As a result the subsidiary has adapted its operating costs accordingly.

The subsidiary expects to be able to meet its obligations for 2020 due to the abovementioned steps.

Uncertainty relating to recognition and measurement

The value of the recognized subsidiary totalling DKK 49,434 thousand, depends on the subsidiary's ability to generate income from the released product and the ability to further develop and enhance the product.

Management believes that the Company will succeed in this. However, Management do acknowledge that there is an uncertainty as to whether the future earnings can be realized according to current forecasts which supports the value of the shares of the subsidiary.

Events after the balance sheet date

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(37,322)	(361,817)
Income from investments in group enterprises		(23,509,016)	(12,219,644)
Other financial income		0	2,558
Other financial expenses		(33,161)	0
Profit/loss before tax		(23,579,499)	(12,578,903)
Tax on profit/loss for the year	3	0	5,277
Profit/loss for the year		(23,579,499)	(12,573,626)
Proposed distribution of profit and loss			
Retained earnings		(23,579,499)	(12,573,626)
Proposed distribution of profit and loss		(23,579,499)	(12,573,626)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		49,434,211	29,472,656
Other financial assets	4	49,434,211	29,472,656
Fixed assets		49,434,211	29,472,656
Income tax receivable		6,311,694	3,104,066
Receivables		6,311,694	3,104,066
Cash		14,738,947	1,291
Current assets		21,050,641	3,105,357
Assets		70,484,852	32,578,013

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	5	185,695	127,764
Retained earnings		67,070,279	23,333,956
Equity		67,255,974	23,461,720
Trade payables		21,249	18,750
Payables to shareholders and management		0	5,998,754
Joint taxation contribution payable		3,207,629	3,098,789
Current liabilities other than provisions		3,228,878	9,116,293
Liabilities other than provisions		3,228,878	9,116,293
Equity and liabilities		70,484,852	32,578,013
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Working conditions	6		
Contingent liabilities	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	127,764	0	23,333,956	23,461,720
Increase of capital	57,931	67,315,822	0	67,373,753
Transfer to reserves	0	(67,315,822)	67,315,822	0
Profit/loss for the year	0	0	(23,579,499)	(23,579,499)
Equity end of year	185,695	0	67,070,279	67,255,974

Notes

1 Going concern

The Company's subsidiary is still in the early stages of its growth phase, and, as in earlier years, has worked on its development projects in progress for the year. The subsidiary continues to further enhance and develop its products and expects it will continue to require additional funding from time to time to continue with development and sale of its projects at a desired level.

The subsidiary's business, by nature, include sales from which the timing of actual cash flow can be difficult to predict and which is currently impacted adversely by the on-going pandemic. As a result the subsidiary has adapted its operating costs accordingly.

The subsidiary expects to be able to meet its obligations for 2020 due to the abovementioned steps, and consequently, Management has presented the financial statements on the assumption that the Company is going concern.

2 Uncertainty relating to recognition and measurement

The value of the recognized subsidiary totalling DKK 49,434 thousand, depends on the subsidiary's ability to generate income from the released product and the ability to further develop and enhance the product.

Management believes that the Company will succeed in this. However, Management do acknowledge that there is an uncertainty as to whether the future earnings can be realized according to current forecasts which supports the value of the shares of the subsidiary.

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	0	(5,277)
	0	(5,277)

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	53,564,956
Addition through business combinations etc	43,470,571
Cost end of year	97,035,527
Impairment losses beginning of year	(24,092,300)
Impairment losses for the year	(23,509,016)
Impairment losses end of year	(47,601,316)
Carrying amount end of year	49,434,211

5 Share capital

	Number	Nominal value DKK
A-aktier	50,000	50,000
B-aktier	26,747	26,747
C-aktier	108,948	108,948
	185,695	185,695

6 Working conditions

The entity has no employees other than the Executive Board.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.