

Cardlay Holding ApS

Billedskærervej 17, 5230 Odense M

CVR no. 37 44 71 53

Annual report 2021

Approved at the Company's annual general meeting on 16 May 2022

Chair of the meeting:

.....
Jørgen Christian Juul

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Cardlay Holding ApS for the financial year 1 January - 31 December 2021.

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 of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense, 16 May 2022
Executive Board:

.....
Jørgen Christian Juul

Board of Directors:

.....
Torben Frigaard Rasmussen
Chair

.....
Francisco Javier Perez
Sanchez

.....
Johan Wolf

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Jørgen Christian Juul

.....
Thorleif Krarup

.....
Nicolai Fink Gundersen

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 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 the 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Odense, 16 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

| | |
|----------------------------|--|
| Name | Cardlay Holding ApS |
| Address, Postal code, City | Billedskærervej 17, 5230 Odense M |
| CVR no. | 37 44 71 53 |
| Established | 12 February 2016 |
| Registered office | Odense |
| Financial year | 1 January - 31 December |
| Board of Directors | Torben Frigaard Rasmussen, Chair Francisco Javier Perez Sanchez Johan Wolf Jørgen Christian Juul Thorleif Krarup Nicolai Fink Gundersen |
| Executive Board | Jørgen Christian Juul |
| Auditors | EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark |

Management's review

Business review

The purpose of the Company and its wholly owned subsidiaries (the "Group") is to provide IT consultancy and, in the opinion of the Board, all related activities.

The Group's main activity is to develop a product stack which connects financial infrastructure with digital services to make it easy for its customers to handle cards, payments and expenses.

Recognition and measurement uncertainties

The value of the recognized development projects in subsidiaries, totalling DKK 64,090 thousand, depends on the subsidiaries' ability to generate income from the released product and to further develop and enhance the product. Management believes that the Group 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 its development projects.

Financial review

The income statement for 2021 for the Company shows a loss of DKK 23,585,536 against a loss of DKK 20,901,081 last year. Although the expectations to the Group's SaaS driven revenue was impaired somewhat by negative effects on global travel activities stemming from COVID-19, the result is largely in line with expectations as the Company continues to invest heavily in its product and growth strategy.

Hence Management considers the result satisfactory.

The balance sheet at 31 December 2021 shows equity of DKK 58,568,545.

Outlook

The Group plans to invest significantly into its product to continue to enhance its value to partners and the experience for end-users. The Group further plans to invest into organization building and development of its employees.

As such Management expects the Company to operate at a net loss also in the coming year.

The Company has secured funding of DKK 37,500,000 from investors as part of its financial strategy which will be utilized towards continued strategic investments into its product and organization and as financial runway for the coming year.

Events after the balance sheet date

In February 2022, the Company successfully completed its planned funding round in line with its financial strategy.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

| Note | DKK | <u>2021</u> | <u>2020</u> |
|------|---|--------------------|--------------------|
| | Gross loss | -71,618 | -27,399 |
| | Income from investments in group enterprises | -22,597,201 | -20,618,592 |
| | Financial expenses | -916,717 | -255,090 |
| | Profit/loss for the year | <u>-23,585,536</u> | <u>-20,901,081</u> |
| | Recommended appropriation of profit/loss | | |
| | Retained earnings/accumulated loss | -23,585,536 | -20,901,081 |
| | | <u>-23,585,536</u> | <u>-20,901,081</u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | <u>2021</u> | <u>2020</u> |
|------|----------------------------------|--------------------------|--------------------------|
| | ASSETS | | |
| | Fixed assets | | |
| 3 | Investments | | |
| | Investments in group enterprises | 66,931,388 | 56,948,989 |
| | | <u>66,931,388</u> | <u>56,948,989</u> |
| | Total fixed assets | <u>66,931,388</u> | <u>56,948,989</u> |
| | Non-fixed assets | | |
| | Receivables | | |
| | Corporation tax receivable | 4,963,711 | 3,294,532 |
| | | <u>4,963,711</u> | <u>3,294,532</u> |
| | Cash | 15,357,465 | 0 |
| | Total non-fixed assets | <u>20,321,176</u> | <u>3,294,532</u> |
| | TOTAL ASSETS | <u><u>87,252,564</u></u> | <u><u>60,243,521</u></u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | <u>2021</u> | <u>2020</u> |
|------|--|--------------------------|--------------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Share capital | 275,005 | 186,170 |
| | Share premium account | 0 | 0 |
| | Retained earnings | 58,293,540 | 46,277,972 |
| | Total equity | <u>58,568,545</u> | <u>46,464,142</u> |
| | Liabilities other than provisions | | |
| 4 | Non-current liabilities other than provisions | | |
| | Convertible debt instruments eligible for dividend | 2,762,076 | 2,762,076 |
| | Other payables | 20,951,981 | 7,667,323 |
| | | <u>23,714,057</u> | <u>10,429,399</u> |
| | Current liabilities other than provisions | | |
| | Bank debt | 0 | 49,198 |
| | Joint taxation contribution payable | 4,963,711 | 3,294,532 |
| | Other payables | 6,251 | 6,250 |
| | | <u>4,969,962</u> | <u>3,349,980</u> |
| | Total liabilities other than provisions | <u>28,684,019</u> | <u>13,779,379</u> |
| | TOTAL EQUITY AND LIABILITIES | <u><u>87,252,564</u></u> | <u><u>60,243,521</u></u> |

- 1 Accounting policies
- 2 Staff costs
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

| DKK | Share capital | Share premium account | Retained earnings | Total |
|--|----------------|-----------------------|-------------------|-------------------|
| Equity at 1 January 2020 | 185,695 | 0 | 67,070,278 | 67,255,973 |
| Capital increase | 475 | 108,775 | 0 | 109,250 |
| Transfer through appropriation of loss | 0 | 0 | -20,901,081 | -20,901,081 |
| Transferred from share premium account | 0 | -108,775 | 108,775 | 0 |
| Equity at 1 January 2021 | 186,170 | 0 | 46,277,972 | 46,464,142 |
| Capital increase | 88,835 | 35,601,104 | 0 | 35,689,939 |
| Transfer through appropriation of loss | 0 | 0 | -23,585,536 | -23,585,536 |
| Transferred from share premium account | 0 | -35,601,104 | 35,601,104 | 0 |
| Equity at 31 December 2021 | 275,005 | 0 | 58,293,540 | 58,568,545 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Cardlay Holding ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Gross loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

Cash

Cash comprise cash.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

Convertible loans

Convertible loans are broken down into a liability element and an equity element based on the relevant instrument of debt. On initial recognition, the liability is recognised at the fair value of a similar liability without a conversion right. The remaining amount of the convertible loan is recognised as equity. On subsequent recognition, the liability is measured at amortised cost until converted or repaid. The equity element is not re measured after initial recognition.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

3 Investments

| DKK | <u>Investments in group enterprises</u> |
|--|---|
| Cost at 1 January 2021 | 125,168,898 |
| Additions | 32,579,600 |
| Cost at 31 December 2021 | <u>157,748,498</u> |
| Value adjustments at 1 January 2021 | -68,219,909 |
| Profit/loss for the year | -22,597,201 |
| Value adjustments at 31 December 2021 | <u>-90,817,110</u> |
| Carrying amount at 31 December 2021 | <u>66,931,388</u> |

| <u>Name</u> | <u>Domicile</u> | <u>Interest</u> |
|--------------------------------|-----------------|-----------------|
| Subsidiaries | | |
| Cardlay A/S | Odense | 100.00% |
| Cardlay Payments Solutions A/S | Odense | 100.00% |

4 Non-current liabilities other than provisions

Of the long-term liabilities, t. DKK 1,515 falls due for payment after more than 5 years after the balance sheet date.

5 Contractual obligations and contingencies, etc.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes, as well as withholding taxes on interest, royalties and dividends falling due for payment.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.