

**Cardlay A/S**  
Cortex Park 26  
5230 Odense M  
Business Registration No  
37447285

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 25.04.2018

### **Chairman of the General Meeting**

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Name: Jørgen Christian Juul

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## Entity details

### Entity

Cardlay A/S  
Cortex Park 26  
5230 Odense M

Central Business Registration No (CVR): 37447285

Registered in: Odense

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Thorleif Krarup, Chairman  
Johan Wolf  
Lars Andersen  
Jørgen Christian Juul

### Executive Board

Jørgen Christian Juul, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Cardlay A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 24.04.2018

### Executive Board

Jørgen Christian Juul  
CEO

### Board of Directors

Thorleif Krarup  
Chairman

Johan Wolf

Lars Andersen

Jørgen Christian Juul

# Independent auditor's report

## To the shareholders of Cardlay A/S

### Opinion

We have audited the financial statements of Cardlay A/S for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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.

### 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:

## Independent auditor's report

- 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.

## Independent auditor's report

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.

København, 24.04.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Jens Jørgensen Baes  
statsautoriseret revisor  
Identification No (MNE) mne14956

## Management commentary

### Primary activities

The purpose of the company is to conduct IT consultancy and all activities that, in the opinion of the Board, are related hereby.

### Development in activities and finances

Profit for the year shows a loss of 9,694 t.kr. The company's management assesses the profit for the year as less satisfying.

The company received a group grant of 24,256 t.kr. from the parent company.

### 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 2017

|  | <u>Notes</u> | <u>2017<br/>DKK</u>       | <u>2016<br/>DKK</u>       |
|--|--------------|---------------------------|---------------------------|
| <b>Gross loss</b>                                |              | <b>(5.978.292)</b>        | <b>(1.550.068)</b>        |
| Staff costs                                      | 1            | (5.766.569)               | (1.159.423)               |
| Depreciation, amortisation and impairment losses | 2            | <u>(84.266)</u>           | <u>(27.686)</u>           |
| <b>Operating profit/loss</b>                     |              | <b>(11.829.127)</b>       | <b>(2.737.177)</b>        |
| Other financial expenses                         | 3            | <u>(590.860)</u>          | <u>(49.018)</u>           |
| <b>Profit/loss before tax</b>                    |              | <b>(12.419.987)</b>       | <b>(2.786.195)</b>        |
| Tax on profit/loss for the year                  | 4            | <u>2.726.409</u>          | <u>607.117</u>            |
| <b>Profit/loss for the year</b>                  |              | <b><u>(9.693.578)</u></b> | <b><u>(2.179.078)</u></b> |
| <b>Proposed distribution of profit/loss</b>      |              |                           |                           |
| Retained earnings                                |              | <u>(9.693.578)</u>        | <u>(2.179.078)</u>        |
|  |              | <b><u>(9.693.578)</u></b> | <b><u>(2.179.078)</u></b> |

## Balance sheet at 31.12.2017

|  | <u>Notes</u> | <u>2017<br/>DKK</u> | <u>2016<br/>DKK</u> |
|--|--------------|---------------------|---------------------|
| Development projects in progress                 |              | 13.612.449          | 4.836.177           |
| <b>Intangible assets</b>                         | 5            | <b>13.612.449</b>   | <b>4.836.177</b>    |
| Other fixtures and fittings, tools and equipment |              | 383.026             | 109.273             |
| Leasehold improvements                           |              | 122.590             | 122.226             |
| <b>Property, plant and equipment</b>             | 6            | <b>505.616</b>      | <b>231.499</b>      |
| Deposits   |              | 96.360              | 31.000              |
| Deferred tax                                     |              | 338.788             | 0                   |
| <b>Fixed asset investments</b>                   | 7            | <b>435.148</b>      | <b>31.000</b>       |
| <b>Fixed assets</b>                              |              | <b>14.553.213</b>   | <b>5.098.676</b>    |
| Trade receivables                                |              | 5.211               | 0                   |
| Other receivables                                |              | 233.529             | 288.144             |
| Joint taxation contribution receivable           |              | 1.930.779           | 1.063.959           |
| Prepayments                                      |              | 1.013               | 4.594               |
| <b>Receivables</b>                               |              | <b>2.170.532</b>    | <b>1.356.697</b>    |
| <b>Cash</b>                                      |              | <b>9.450.026</b>    | <b>5.442.703</b>    |
| <b>Current assets</b>                            |              | <b>11.620.558</b>   | <b>6.799.400</b>    |
| <b>Assets</b>                                    |              | <b>26.173.771</b>   | <b>11.898.076</b>   |

## Balance sheet at 31.12.2017

|  | <u>Notes</u> | <u>2017<br/>DKK</u>      | <u>2016<br/>DKK</u>      |
|--|--------------|--------------------------|--------------------------|
| Contributed capital  |              | 2.266.700                | 2.266.700                |
| Reserve for development expenditure                            |              | 13.612.449               | 4.836.177                |
| Retained earnings  |              | <u>1.917.407</u>         | <u>(3.865.270)</u>       |
| <b>Equity</b>  |              | <b><u>17.796.556</u></b> | <b><u>3.237.607</u></b>  |
| Deferred tax   |              | <u>0</u>                 | <u>456.842</u>           |
| <b>Provisions</b>  |              | <b><u>0</u></b>          | <b><u>456.842</u></b>    |
| Other payables   |              | <u>4.218.179</u>         | <u>4.857.940</u>         |
| <b>Non-current liabilities other than provisions</b>           | 8            | <b><u>4.218.179</u></b>  | <b><u>4.857.940</u></b>  |
| Current portion of long-term liabilities other than provisions | 8            | 766.883                  | 0                        |
| Bank loans   |              | 68.109                   | 0                        |
| Trade payables   |              | 1.690.140                | 710.584                  |
| Payables to group enterprises                                  |              | 0                        | 2.341.377                |
| Other payables   | 9            | <u>1.633.904</u>         | <u>293.726</u>           |
| <b>Current liabilities other than provisions</b>               |              | <b><u>4.159.036</u></b>  | <b><u>3.345.687</u></b>  |
| <b>Liabilities other than provisions</b>                       |              | <b><u>8.377.215</u></b>  | <b><u>8.203.627</u></b>  |
| <b>Equity and liabilities</b>                                  |              | <b><u>26.173.771</u></b> | <b><u>11.898.076</u></b> |
| Unrecognised rental and lease commitments                      | 10           |                          |                          |
| Contingent liabilities   | 11           |                          |                          |

## Statement of changes in equity for 2017

|                               | <b>Contributed<br/>capital<br/>DKK</b> | <b>Reserve for<br/>development<br/>expenditure<br/>DKK</b> | <b>Retained<br/>earnings<br/>DKK</b> | <b>Total<br/>DKK</b> |
|-------------------------------|--|--|--------------------------------------|----------------------|
| Equity beginning<br>of year   | 2.266.700                              | 4.836.177  | (3.865.270)                          | 3.237.607            |
| Group<br>contributions etc    | 0                                      | 0  | 24.252.527                           | 24.252.527           |
| Profit/loss for<br>the year   | 0                                      | 8.776.272  | (18.469.850)                         | (9.693.578)          |
| <b>Equity end of<br/>year</b> | <b>2.266.700</b>                       | <b>13.612.449</b>  | <b>1.917.407</b>                     | <b>17.796.556</b>    |

## Notes

|  | <b>2017</b>        | <b>2016</b>      |
|--|--------------------|------------------|
|  | <b>DKK</b>         | <b>DKK</b>       |
| <b>1. Staff costs</b>  |                    |                  |
| Wages and salaries   | 5.243.731          | 1.006.701        |
| Pension costs  | 140.786            | 0                |
| Other social security costs  | 61.000             | 16.708           |
| Other staff costs  | 321.052            | 136.014          |
|  | <b>5.766.569</b>   | <b>1.159.423</b> |
| <br>   |                    |                  |
| Average number of employees  | <b>15</b>          | <b>4</b>         |
|  |                    |                  |
|  | <b>2017</b>        | <b>2016</b>      |
|  | <b>DKK</b>         | <b>DKK</b>       |
| <b>2. Depreciation, amortisation and impairment losses</b>                   |                    |                  |
| Depreciation of property, plant and equipment                                | 97.266             | 27.686           |
| Profit/loss from sale of intangible assets and property, plant and equipment | (13.000)           | 0                |
|  | <b>84.266</b>      | <b>27.686</b>    |
|  |                    |                  |
|  | <b>2017</b>        | <b>2016</b>      |
|  | <b>DKK</b>         | <b>DKK</b>       |
| <b>3. Other financial expenses</b>   |                    |                  |
| Financial expenses from group enterprises                                    | 0                  | 37.367           |
| Other interest expenses  | 577.197            | 11.335           |
| Exchange rate adjustments  | 13.663             | 316              |
|  | <b>590.860</b>     | <b>49.018</b>    |
|  |                    |                  |
|  | <b>2017</b>        | <b>2016</b>      |
|  | <b>DKK</b>         | <b>DKK</b>       |
| <b>4. Tax on profit/loss for the year</b>                                    |                    |                  |
| Current tax  | (1.930.779)        | (1.063.959)      |
| Change in deferred tax   | (795.630)          | 456.842          |
|  | <b>(2.726.409)</b> | <b>(607.117)</b> |

## Notes

|                                    | <b>Develop-<br/>ment<br/>projects in<br/>progress<br/>DKK</b> |
|------------------------------------|---|
|                                    | <u>DKK</u>  |
| <b>5. Intangible assets</b>        |   |
| Cost beginning of year             | 4.836.177   |
| Additions                          | <u>8.776.272</u>  |
| <b>Cost end of year</b>            | <b><u>13.612.449</u></b>                                      |
| <br>                               |   |
| <b>Carrying amount end of year</b> | <b><u>13.612.449</u></b>                                      |

### Development projects

Development projects concern the development of software and expense cards. The projects are expected to be completed in 2018. The development proceeds as planned using the resources allocated by management to the development. There has been cooperation with a number of different banks regarding the propagation of technology.

|   | <b>Other<br/>fixtures and<br/>fittings,<br/>tools and<br/>equipment<br/>DKK</b> | <b>Leasehold<br/>improve-<br/>ments<br/>DKK</b> |
|---|---|---|
|   | <u>DKK</u>  | <u>DKK</u>                                      |
| <b>6. Property, plant and equipment</b>               |   |   |
| Cost beginning of year                                | 122.292   | 136.893   |
| Additions   | <u>346.483</u>  | <u>24.900</u>                                   |
| <b>Cost end of year</b>                               | <b><u>468.775</u></b>   | <b><u>161.793</u></b>                           |
| <br>  |   |   |
| Depreciation and impairment losses beginning of year  | (13.019)  | (14.667)  |
| Depreciation for the year                             | <u>(72.730)</u>   | <u>(24.536)</u>                                 |
| <b>Depreciation and impairment losses end of year</b> | <b><u>(85.749)</u></b>  | <b><u>(39.203)</u></b>                          |
| <br>  |   |   |
| <b>Carrying amount end of year</b>                    | <b><u>383.026</u></b>   | <b><u>122.590</u></b>                           |

## Notes

|                                    | <b>Deposits</b> | <b>Deferred</b> |
|------------------------------------|-----------------|-----------------|
|                                    | <b>DKK</b>      | <b>tax</b>      |
|                                    | <b>DKK</b>      | <b>DKK</b>      |
| <b>7. Fixed asset investments</b>  |                 |                 |
| Cost beginning of year             | 31.000          | 0               |
| Additions                          | 65.360          | 338.788         |
| <b>Cost end of year</b>            | <b>96.360</b>   | <b>338.788</b>  |
| <b>Carrying amount end of year</b> | <b>96.360</b>   | <b>338.788</b>  |

|   | <b>Due within 12</b> | <b>Due after more</b> | <b>Outstanding</b>   |
|---|----------------------|-----------------------|----------------------|
|   | <b>months</b>        | <b>than 12</b>        | <b>after 5 years</b> |
|   | <b>2017</b>          | <b>months</b>         | <b>DKK</b>           |
|   | <b>DKK</b>           | <b>2017</b>           | <b>DKK</b>           |
|   | <b>DKK</b>           | <b>DKK</b>            | <b>DKK</b>           |
| <b>8. Liabilities other than provisions</b> |                      |                       |                      |
| Other payables                              | 766.883              | 4.218.179             | 1.046.603            |
|   | <b>766.883</b>       | <b>4.218.179</b>      | <b>1.046.603</b>     |

|   | <b>2017</b>      | <b>2016</b>    |
|---|------------------|----------------|
|   | <b>DKK</b>       | <b>DKK</b>     |
| <b>9. Other payables</b>  |                  |                |
| Wages and salaries, personal income taxes, social security costs, etc payable | 587.131          | 79.037         |
| Holiday pay obligation  | 1.000.787        | 189.796        |
| Other costs payable   | 45.986           | 24.893         |
|   | <b>1.633.904</b> | <b>293.726</b> |

|  | <b>2017</b>    | <b>2016</b>   |
|--|----------------|---------------|
|  | <b>DKK</b>     | <b>DKK</b>    |
| <b>10. Unrecognised rental and lease commitments</b>                 |                |               |
| Liabilities under rental or lease agreements until maturity in total | <b>612.237</b> | <b>31.500</b> |

### 11. Contingent liabilities

The company has issued a company loan of 5,000,000 DK in operating equipment, intangible assets and simple receivables arising from the sale of goods and services with a total carrying amount of 5,449,993 DKK.

The Entity participates in a Danish joint taxation arrangement where serves as the administration company, cardlay Holding ApS. According to the joint taxation provisions of the Danish Corporation Tax Act,

## Notes

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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial state-ments.



## 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.

For some comparison figures, the presentation has been adapted. The adjustments have not affected equity or profit or loss.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises other operating income and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### 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.

The Entity is jointly taxed with Cardlay holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 years.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment

5 years

## Accounting policies

Leasehold improvements

7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### 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.