



## Cardlay A/S

Billedskærervej 17  
5230 Odense M  
CVR No. 37447285

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 20.08.2020

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**Jørgen Christian Juul**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	16

# Entity details

## Entity

Cardlay A/S

Billedskærervej 17

5230 Odense M

CVR No.: 37447285

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 A/S 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 A/S

### Opinion

We have audited the financial statements of Cardlay A/S 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 continues to further enhance and develop its products. However, the Company expects it will continue to require additional funding from time to time to continue with the development and sale of its projects at a desired level.

The Company'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 Company has adapted its operating costs accordingly.

The Company 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 23,509 thousand. Management assesses the performance for the year less satisfactory.

The Company has during the year 2019 received a group contribution of DKK 43,471 thousand from its Parent.

## Going Concern

The Company 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 the development and sale of its projects at a desired level.

The Company'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 Company has adapted its operating costs accordingly.

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

## Uncertainty relating to recognition and measurement

The value of the recognized development projects, totalling DKK 43,014 thousand, depends on the Company'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 its development projects..

## 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. After the balance sheet date, the Company has managed to secure additional funding.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>(9,654,534)</b>	<b>(5,387,993)</b>
Staff costs	3	(12,155,065)	(9,623,627)
Depreciation, amortisation and impairment losses	4	(3,621,586)	(130,928)
<b>Operating profit/loss</b>		<b>(25,431,185)</b>	<b>(15,142,548)</b>
Other financial expenses	5	(567,882)	(558,605)
<b>Profit/loss before tax</b>		<b>(25,999,067)</b>	<b>(15,701,153)</b>
Tax on profit/loss for the year	6	2,490,051	3,481,509
<b>Profit/loss for the year</b>		<b>(23,509,016)</b>	<b>(12,219,644)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(23,509,016)	(12,219,644)
<b>Proposed distribution of profit and loss</b>		<b>(23,509,016)</b>	<b>(12,219,644)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	8	38,825,604	0
Development projects in progress	8	4,187,948	27,721,840
<b>Intangible assets</b>	7	<b>43,013,552</b>	<b>27,721,840</b>
Other fixtures and fittings, tools and equipment		314,956	380,052
Leasehold improvements		73,622	98,054
<b>Property, plant and equipment</b>	9	<b>388,578</b>	<b>478,106</b>
Deposits		266,567	143,906
Deferred tax		0	721,508
<b>Other financial assets</b>	10	<b>266,567</b>	<b>865,414</b>
<b>Fixed assets</b>		<b>43,668,697</b>	<b>29,065,360</b>
Trade receivables		86,886	233,224
Other receivables		1,031,049	508,998
Joint taxation contribution receivable		3,207,629	3,098,789
Prepayments		0	102,629
<b>Receivables</b>		<b>4,325,564</b>	<b>3,943,640</b>
<b>Cash</b>		<b>13,540,389</b>	<b>5,995,345</b>
<b>Current assets</b>		<b>17,865,953</b>	<b>9,938,985</b>
<b>Assets</b>		<b>61,534,650</b>	<b>39,004,345</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		2,266,700	2,266,700
Reserve for development expenditure		33,550,570	27,721,840
Retained earnings		13,616,940	(515,884)
<b>Equity</b>		<b>49,434,210</b>	<b>29,472,656</b>
Other payables		3,910,979	3,741,273
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>3,910,979</b>	<b>3,741,273</b>
Current portion of non-current liabilities other than provisions	11	766,005	768,426
Bank loans		166	368,811
Trade payables		4,335,241	2,024,255
Other payables	12	2,504,995	2,628,924
Deferred income		583,054	0
<b>Current liabilities other than provisions</b>		<b>8,189,461</b>	<b>5,790,416</b>
<b>Liabilities other than provisions</b>		<b>12,100,440</b>	<b>9,531,689</b>
<b>Equity and liabilities</b>		<b>61,534,650</b>	<b>39,004,345</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		

# Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,266,700	27,721,840	(515,884)	29,472,656
Group contributions etc	0	0	43,470,570	43,470,570
Transfer to reserves	0	5,828,730	(5,828,730)	0
Profit/loss for the year	0	0	(23,509,016)	(23,509,016)
<b>Equity end of year</b>	<b>2,266,700</b>	<b>33,550,570</b>	<b>13,616,940</b>	<b>49,434,210</b>

# Notes

## 1 Going concern

The Company 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 the development and sale of its projects at a desired level.

The Company'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 Company has adapted its operating costs accordingly.

Based on the steps taken, Management expects the Company to be able to meet its obligations for 2020 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 recognised development projects, totalling DKK 43,014 thousand, depends on the Company'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 acknowledge the uncertainty there is, by nature.

## 3 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	20,563,576	15,856,200
Pension costs	667,946	551,145
Other social security costs	209,417	132,302
Other staff costs	1,602,722	558,841
	<b>23,043,661</b>	<b>17,098,488</b>
Staff costs classified as assets	(10,888,596)	(7,474,861)
	<b>12,155,065</b>	<b>9,623,627</b>
Average number of full-time employees	<b>27</b>	<b>23</b>

#### 4 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	3,476,369	0
Depreciation of property, plant and equipment	145,217	130,928
	<b>3,621,586</b>	<b>130,928</b>

#### 5 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	503,074	507,657
Exchange rate adjustments	48,913	32,712
Other financial expenses	15,895	18,236
	<b>567,882</b>	<b>558,605</b>

#### 6 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(3,207,629)	(3,098,789)
Change in deferred tax	721,508	(382,720)
Adjustment concerning previous years	(3,930)	0
	<b>(2,490,051)</b>	<b>(3,481,509)</b>

#### 7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	27,721,840
Transfers	27,721,840	(27,721,840)
Additions	14,580,133	4,187,948
<b>Cost end of year</b>	<b>42,301,973</b>	<b>4,187,948</b>
Amortisation for the year	(3,476,369)	0
<b>Amortisation and impairment losses end of year</b>	<b>(3,476,369)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>38,825,604</b>	<b>4,187,948</b>

#### 8 Development projects

Development projects concern the development of software. The projects are completed in 2019, however continues to be maintained optimised which is an ongoing process. The development proceeds as planned using the resources allocated by Management for the development. The Company has cooperated with several different banks regarding the propagation of technology.

## 9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	572,193	161,793
Additions	55,689	0
<b>Cost end of year</b>	<b>627,882</b>	<b>161,793</b>
Depreciation and impairment losses beginning of year	(192,141)	(63,739)
Depreciation for the year	(120,785)	(24,432)
<b>Depreciation and impairment losses end of year</b>	<b>(312,926)</b>	<b>(88,171)</b>
<b>Carrying amount end of year</b>	<b>314,956</b>	<b>73,622</b>

## 10 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	143,906	721,508
Additions	202,661	0
Disposals	(80,000)	(721,508)
<b>Cost end of year</b>	<b>266,567</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>266,567</b>	<b>0</b>

## 11 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Other payables	766,005	768,426	3,910,979
	<b>766,005</b>	<b>768,426</b>	<b>3,910,979</b>

## 12 Other payables

	2019 DKK	2018 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	924,278	675,821
Holiday pay obligation	1,432,682	1,895,126
Other costs payable	148,035	57,977
	<b>2,504,995</b>	<b>2,628,924</b>

### 13 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	<b>6,516,768</b>	<b>1,825,200</b>

### 14 Contingent liabilities

The Company has issued a company loan of DKK 5,000,000 on operating equipment, intangible assets and simple receivables arising from the sale of goods and services with a total carrying amount of DKK 43,489,016.

The Entity participates in a Danish joint taxation arrangement where Cardlay Holding ApS serves as the administration company. 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 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 statements.



# 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.

## 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.

## Income statement

### Gross profit or loss

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

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### 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, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**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.

The Entity is jointly taxed with all Danish group enterprises. 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 less deferred tax 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 costs are recognised in cost based on time spent on each project.

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.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**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
Leasehold improvements	7 years

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.

### **Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.