
GF Money Consumer Finance Denmark ApS

Carl Jacobsens Vej , 16,1. 6., DK-2500 Valby

Annual Report for 2021

CVR No. 38 00 33 99

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2022

Karl David Öhlund
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of GF Money Consumer Finance Denmark 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Valby, 28 June 2022

Executive Board

Karl David Öhlund
CEO

Anna Vadimovna Wiedebaum
Executive officer

Mika Nestori Pihlava
Executive officer

Independent Auditor's report

To the shareholder of GF Money Consumer Finance Denmark ApS

Opinion

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.

We have audited the Financial Statements of GF Money Consumer Finance Denmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International 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. 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

We draw attention to the material uncertainty described in the Financial statements note 1 "Going concern". As described in the Note the Company's inadequate financial position and the material uncertainty related to the commitment of financial support received from the Parent Company related to the material uncertainty of the Parent Company's ability to continue as a going concern, result in material uncertainty, that may cast significant doubt on the the Company's ability to continue as a going concern. Our opinion is not modified of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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.

Independent Auditor's report

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 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 Company'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 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 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.

Independent Auditor's report

Hellerup, 28 June 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jesper Otto Edelbo
State Authorised Public Accountant
mne10901

Company information

The Company	GF Money Consumer Finance Denmark ApS Carl Jacobsens Vej , 16,1. 6. DK-2500 Valby CVR No: 38 00 33 99 Financial period: 1 January - 31 December Incorporated: 1 September 2016 Financial year: 6th financial year Municipality of reg. office: København
Executive board	Karl David Öhlund Anna Vadimovna Wiedebaum Mika Nestori Pihlava
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The company is engaged in cash lending and other financial activities, as well as all activities that management considers related.

Market overview

2021 has been a challenging year for GF Money Consumer Finance Denmark ApS, mainly because of new legislation implemented in 2020 that has affected the Company.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 10,705,959, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 12,772,523.

The Group's management continues to examine possible financing alternatives and assesses that the company has a reasonable opportunity to ensure sufficient cash flow to finance the company's operations for at least 12 months from the balance sheet date.

The Parent Company has committed to provide financial support to GF Money Consumer Finance Denmark ApS by loans to the extent necessary to finance the operations of the Company and settlement of the Company's financial obligations in the period until adoption of the annual report for 2022.

However, the Parent Company is also experiencing challenges with regards to financing. In the current cash flow estimation of the Parent Company for the next 12 months ending 31.12.22, funds are sufficient until the end of 3rd quarter of the year 2022. The Group's management continues to examine possible financing alternatives and assesses that the Parent Company has a reasonable opportunity to ensure sufficient cash flow to finance the Parent Company's operations for at least 12 months from the balance sheet date.

However, planned actions of the Parent Company, to ensure adequate financing and liquidity in the subsequent period have not materialized into concluded agreements at the date of issuing the Financial statements for 2021 and thus there is material uncertainty that may raise significant doubts about the Parent Company's ability to continue as a going concern.

This could ultimately lead to the Parent Company not being able to honor the commitments under the agreement to provide financial support to the Company. In the current situation this results in material uncertainty, that may raise significant doubts about the Company's ability to continue as a going concern.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Revenue		15,301,918	22,485,487
Other external expenses		-19,022,181	-14,400,848
Gross profit/loss		-3,720,263	8,084,639
Staff expenses	2	-767,580	-1,403,264
Depreciation and impairment losses of property, plant and equipment		-219,470	-244,362
Profit/loss before financial income and expenses		-4,707,313	6,437,013
Financial income		36,235	120,766
Financial expenses	3	-6,034,881	-7,251,323
Profit/loss before tax		-10,705,959	-693,544
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-10,705,959	-693,544

Distribution of profit

	2021	2020
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-10,705,959	-693,544
	-10,705,959	-693,544

Balance sheet 31 December

Assets

	Note	2021	2020
		DKK	DKK
Completed development projects		132,992	337,082
Intangible assets	4	132,992	337,082
Other fixtures and fittings, tools and equipment		7,500	18,920
Leasehold improvements		3,630	7,590
Property, plant and equipment	5	11,130	26,510
Deposits	6	29,002	29,002
Fixed asset investments		29,002	29,002
Fixed assets		173,124	392,594
Trade receivables		39,162,616	55,630,392
Other receivables		206,266	209,813
Corporation tax		119,263	0
Prepayments		213,921	88,948
Receivables		39,702,066	55,929,153
Cash at bank and in hand		817,572	5,056,786
Current assets		40,519,638	60,985,939
Assets		40,692,762	61,378,533

Balance sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		50,000	50,000
Retained earnings		-12,822,523	-2,116,564
Equity		-12,772,523	-2,066,564
Subordinate loan capital		13,013,700	4,092,495
Payables to group enterprises		15,047,555	28,231,382
Other payables		70,500	70,500
Long-term debt	7	28,131,755	32,394,377
Credit institutions		20,842,295	28,229,052
Trade payables		247,322	218,524
Payables to group enterprises		1,675,864	0
Corporation tax		0	1,709,158
Other payables	7	2,568,049	893,986
Short-term debt		25,333,530	31,050,720
Debt		53,465,285	63,445,097
Liabilities and equity		40,692,762	61,378,533
Going concern	1		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50,000	-2,116,564	-2,066,564
Net profit/loss for the year	0	-10,705,959	-10,705,959
Equity at 31 December	50,000	-12,822,523	-12,772,523

Notes to the Financial Statements

1. Going concern

2021 has been a challenging year for GF Money Consumer Finance Denmark ApS, mainly because of new legislation implemented in 2020 that has affected the Company.

The result of the legislation was that no new loan agreements have been made for the second half of 2020 and the first half of 2021. Because of the negative result in 2021 the financial position remains inadequate and the Parent Company has therefore increased the subordinated loan. It is the management's position that further strengthening of the equity is necessary.

The Parent Company has committed to providing financial support to GF Money Consumer Finance Denmark ApS by loans to the extent necessary to finance the operations of the Company and settlement of the Company's financial obligations in the period until adoption of the annual report for 2022.

During this period existing and future loans to GF Money Consumer Finance Denmark ApS will only be terminated to the extent that the Company's financial position enables repayment, and such loans will be subordinated to other creditors in GF Money Consumer Finance Denmark ApS.

However, the Parent Company is also experiencing challenges with regards to financing. In the current cash flow estimation of the Parent Company for the next 12 months ending 31.12.22, funds are sufficient until the end of 3rd quarter of the year 2022. The Group's management continues to examine possible financing alternatives and assesses that the Parent Company has a reasonable opportunity to ensure sufficient cash flow to finance the Parent Company's operations for at least 12 months from the balance sheet date, which is why the accounts have been prepared on a going concern basis. However, planned actions of the Parent Company, to ensure adequate financing and liquidity in the subsequent period have not materialized into concluded agreements at the date of issuing the Financial statements for 2021.

Accordingly, there is material uncertainty that may raise significant doubts about the Parent Company's ability to continue as a going concern.

This could ultimately lead to the Parent Company not being able to honor the commitments under the agreement to provide financial support to the Company.

In the current situation this results in material uncertainty, that may raise significant doubts about the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

	2021	2020
	DKK	DKK
2. Staff Expenses		
Wages and salaries	703,147	1,376,188
Pensions	32,887	0
Other social security expenses	11,282	13,201
Other staff expenses	20,264	13,875
	<u>767,580</u>	<u>1,403,264</u>
Average number of employees	<u>2</u>	<u>2</u>

Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	3,056,965	3,488,926
Other financial expenses	2,822,182	3,636,898
Exchange adjustments, expenses	118,253	115,806
Exchange loss	37,481	9,693
	<u>6,034,881</u>	<u>7,251,323</u>

4. Intangible fixed assets

	<u>Completed development projects</u>
	DKK
Cost at 1 January	<u>753,366</u>
Cost at 31 December	<u>753,366</u>
Impairment losses and amortisation at 1 January	416,284
Amortisation for the year	<u>204,090</u>
Impairment losses and amortisation at 31 December	<u>620,374</u>
Carrying amount at 31 December	<u>132,992</u>

Development projects relate to the development of new versions of the Company's existing software products. The projects are progressing according to plan through the use of the resources allocated by Management to the development.

Notes to the Financial Statements

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	77,556	19,800
Cost at 31 December	77,556	19,800
Impairment losses and depreciation at 1 January	58,636	12,210
Depreciation for the year	11,420	3,960
Impairment losses and depreciation at 31 December	70,056	16,170
Carrying amount at 31 December	7,500	3,630

6. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	29,002
Cost at 31 December	29,002
Carrying amount at 31 December	29,002

Notes to the Financial Statements

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Subordinate loan capital		
After 5 years	0	0
Between 1 and 5 years	<u>13,013,700</u>	<u>4,092,495</u>
Long-term part	13,013,700	4,092,495
Within 1 year	<u>0</u>	<u>0</u>
	<u>13,013,700</u>	<u>4,092,495</u>
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	<u>15,047,555</u>	<u>28,231,382</u>
Long-term part	15,047,555	28,231,382
Within 1 year	0	0
Other short-term debt to group enterprises	<u>1,675,864</u>	<u>0</u>
Short-term part	1,675,864	0
	<u>16,723,419</u>	<u>28,231,382</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	<u>70,500</u>	<u>70,500</u>
Long-term part	70,500	70,500
Within 1 year	0	0
Other short-term payables	<u>2,568,049</u>	<u>893,986</u>
	<u>2,638,549</u>	<u>964,486</u>
	<u>2021</u>	<u>2020</u>
	DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental obligation, 6 months	31,000	31,000
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Notes to the Financial Statements

9. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The company is part of the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
GF Money Oy	Pitkämäenkatu 11, 20250 Turku

Notes to the Financial Statements

10. Accounting policies

The Annual Report of GF Money Consumer Finance Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Net sales

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Software licences are amortised over the period of the agreement, however not exceeding 12 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-5 years

Leasehold improvements 5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.