



**B a a g ø e | S c h o u**  
statsautoriseret revisionsaktieselskab

**Block Finance A/S**  
Hammerensgade 1, 2., 1267 København K

**Company reg. no. 38 77 16 98**

**Annual report**

**1 January - 31 December 2022**

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The annual report was submitted and approved by the general meeting on the 29 June 2023.

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**Martin Dyring-Andersen**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Block Finance A/S for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 29 June 2023

### **Managing Director**

Martin Dyring-Andersen

### **Board of directors**

Henrik Ørum  
Chairman

Martin Dyring-Andersen

Henrik Aasted Sørensen



## **Independent auditor's report**

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### **To the Shareholders of Block Finance A/S**

#### **Opinion**

We have audited the financial statements of Block Finance A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 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.

#### **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 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.



## **Independent auditor's report**

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

### **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.



## Independent auditor's report

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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, we conclude that 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 Management's Review.

Copenhagen, 29 June 2023

### **Baagøe | Schou**

State Authorised Public Accountants  
Company reg. no. 21 14 81 48

Torben B. Petersen

State Authorised Public Accountant  
mne34097



## Company information

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<b>The company</b>	Block Finance A/S Hammerensgade 1, 2. 1267 København K  Company reg. no. 38 77 16 98 Domicile: Copenhagen Financial year: 1 January - 31 December
<b>Board of directors</b>	Henrik Ørum, Chairman Martin Dyring-Andersen Henrik Aasted Sørensen
<b>Managing Director</b>	Martin Dyring-Andersen
<b>Auditors</b>	Baagøe   Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K
<b>Parent company</b>	VRTY Capital ApS
<b>Subsidiaries</b>	e-Money A/S, København e-Money Markets ApS, København Validator ApS, København



## Management's review

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### **The principal activities of the company**

The Company's core activity is, development of financial infrastructure, centered around next generation distributed ledger technology.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 2.994.699 against DKK 2.738.647 last year. Income or loss from ordinary activities after tax totals DKK -10.701.337 against DKK 9.679.236 last year. Management considers the net profit or loss for the year dissatisfactory.

### **Events occurring after the end of the financial year**

No events have occurred after the balance sheet date that may have a significant influence on the assessment of the annual report.





## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross profit</b>	<b>2.994.699</b>	<b>2.738.647</b>
1 Staff costs	-2.455.826	-2.390.889
Amortisation and impairment of intangible assets	-53.656	-53.656
<b>Profit before net financials</b>	<b>485.217</b>	<b>294.102</b>
Income from investments in subsidiaries	-11.065.812	9.450.195
Other financial expenses	-5.066	-2.273
<b>Pre-tax net profit or loss</b>	<b>-10.585.661</b>	<b>9.742.024</b>
2 Tax on net profit or loss for the year	-115.676	-62.788
<b>Net profit or loss for the year</b>	<b>-10.701.337</b>	<b>9.679.236</b>
<b>Proposed distribution of net profit:</b>		
Reserves for net revaluation according to the equity method	-11.065.812	9.450.195
Transferred to retained earnings	364.475	229.041
<b>Total allocations and transfers</b>	<b>-10.701.337</b>	<b>9.679.236</b>



## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
3	Acquired intangible assets	156.497	210.153
	Total intangible assets	156.497	210.153
4	Investments in group enterprises	6.724.521	17.700.333
5	Deposits	0	135.000
	Total investments	6.724.521	17.835.333
	<b>Total non-current assets</b>	<b>6.881.018</b>	<b>18.045.486</b>
<b>Current assets</b>			
	Trade receivables	0	177.500
	Receivables from subsidiaries	990.454	968.067
	Other receivables	6.961	0
	Prepayments	0	54.923
	Total receivables	997.415	1.200.490
	Cash and cash equivalents	378.882	241.249
	<b>Total current assets</b>	<b>1.376.297</b>	<b>1.441.739</b>
	<b>Total assets</b>	<b>8.257.315</b>	<b>19.487.225</b>



## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	1.000.000	1.000.000
Reserve for net revaluation according to the equity method	6.134.521	17.200.333
Retained earnings	-339.244	-703.719
<b>Total equity</b>	<b><u>6.795.277</u></b>	<b><u>17.496.614</u></b>
 <b>Liabilities other than provisions</b>		
Bank loans	24.625	0
Trade payables	76.250	101.109
Payables to subsidiaries	1.020.371	1.451.875
Income tax payable to group companies	115.676	62.788
Other payables	225.116	374.839
Total short term liabilities other than provisions	<u>1.462.038</u>	<u>1.990.611</u>
<b>Total liabilities other than provisions</b>	<b><u>1.462.038</u></b>	<b><u>1.990.611</u></b>
 <b>Total equity and liabilities</b>	 <b><u>8.257.315</u></b>	 <b><u>19.487.225</u></b>

**6 Charges and security**

**7 Contingencies**

**8 Related parties**



## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for net revaluation according to the equity method</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2022	1.000.000	17.200.333	-703.719	17.496.614
Share of profit or loss	0	-11.065.812	364.475	-10.701.337
	<b>1.000.000</b>	<b>6.134.521</b>	<b>-339.244</b>	<b>6.795.277</b>



## Notes

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All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Staff costs</b>		
Salaries and wages	2.428.679	2.368.511
Other costs for social security	27.147	22.378
	<u><b>2.455.826</b></u>	<u><b>2.390.889</b></u>
Average number of employees	<u>4</u>	<u>3</u>
<b>2. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	115.676	62.788
Adjustment of deferred tax for the year	0	0
	<u><b>115.676</b></u>	<u><b>62.788</b></u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>3. Acquired intangible assets</b>		
Cost 1 January 2022	375.593	375.593
Additions during the year	0	0
Disposals during the year	0	0
	<u><b>375.593</b></u>	<u><b>375.593</b></u>
Amortisation and writedown 1 January 2022	-165.440	-111.784
Amortisation and depreciation for the year	-53.656	-53.656
	<u><b>-219.096</b></u>	<u><b>-165.440</b></u>
<b>Carrying amount, 31 December 2022</b>	<u><b>156.497</b></u>	<u><b>210.153</b></u>



## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>4. Investments in group enterprises</b>		
Cost 1 January 2022	500.000	500.000
Additions during the year	90.000	0
Disposals during the year	<u>0</u>	<u>0</u>
<b>Cost 31 December 2022</b>	<b><u>590.000</u></b>	<b><u>500.000</u></b>
Revaluations, opening balance 1 January 2022	17.200.333	7.750.138
Correction of previous revaluations	1.085.758	0
Net profit or loss for the year before amortisation of goodwill	<u>-12.151.570</u>	<u>9.450.195</u>
<b>Revaluation 31 December 2022</b>	<b><u>6.134.521</u></b>	<b><u>17.200.333</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>6.724.521</u></b>	<b><u>17.700.333</u></b>
<b>5. Deposits</b>		
Cost 1 January 2022	135.000	135.000
Additions during the year	0	0
Disposals during the year	<u>-135.000</u>	<u>0</u>
<b>Cost 31 December 2022</b>	<b><u>0</u></b>	<b><u>135.000</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>0</u></b>	<b><u>135.000</u></b>

## 6. Charges and security

The Company has not provided any security or other collateral in assets at 31 December 2022.



## Notes

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All amounts in DKK.

### 7. Contingencies

#### Joint taxation

With VRTY Capital ApS, company reg. no 29 92 86 06 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 8. Related parties

#### Consolidated financial statements

The company has in accordance with section 110 of the Danish Financial Statements Act not prepared a consolidated financial statement.



## Accounting policies

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The annual report for Block Finance A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.





## Accounting policies

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### Income statement

#### **Gross profit**

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for sales, administration, premises, etc.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible assets.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, etc.

#### **Results from equity investments in subsidiaries**

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).



## Accounting policies

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### Statement of financial position

#### **Intangible assets**

Other intangible assets include acquired intangible rights.

Other intangible assets measured at cost less accrued amortisation. Acquired intangible assets are amortised on a straightline basis based on the expected useful life. The expected useful life of acquired intangible assets are 7 years.

#### **Investments**

##### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.



## Accounting policies

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### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

### **Equity**

#### **Reserve for net revaluation according to the equity method**

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Block Finance A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.



## Accounting policies

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### **Liabilities other than provisions**

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Martin Dyring-Andersen

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Navnet returneret af dansk MitID var:  
NAVNE & ADRESSEBESKYTTET  
Direktør  
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CPR-match med dansk MitID  
Dato for underskrift: 29-06-2023  
Underskrevet med MitID



## Martin Dyring-Andersen

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Dato for underskrift: 29-06-2023  
Underskrevet med MitID



## Henrik Ørum

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Underskrevet med MitID



## Henrik Aasted Sørensen

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Navnet returneret af dansk MitID var:  
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Dato for underskrift: 29-06-2023  
Underskrevet med MitID



## Torben B. Petersen

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Revisor  
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CVR-match med dansk NemID  
Dato for underskrift: 29-06-2023  
Underskrevet med NemID

NEM ID

## Martin Dyring-Andersen

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