

MoneyFlow Group A/S

Langebrogade 4
1411 København K
Denmark

CVR no. 39 22 83 27

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

30 June 2023

Anne Louise Eberhard
Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of MoneyFlow Group 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.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 fair review of the matters discussed in the Management's review.

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

København, 30 June 2023
Executive Board:

Kim Ulf Rehfeld Thodén
CEO

Board of Directors:

Anne Louise Eberhard
Chairman

Werner Helmuth Storm
Valeur

Kim Ulf Rehfeld Thodén

Christian Rasmussen

Independent auditor's report

To the shareholders of MoneyFlow Group A/S

Opinion

We have audited the financial statements of MoneyFlow Group A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 30 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

MoneyFlow Group A/S
Annual report 2022
CVR no. 39 22 83 27

Management's review

Company details

MoneyFlow Group A/S
Langebrogade 4
1411 København K
Denmark

CVR no.:	39 22 83 27
Established:	9 January 2018
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Anne Louise Eberhard, Chairman
Werner Helmuth Storm Valeur
Kim Ulf Rehfeld Thodén
Christian Rasmussen

Executive Board

Kim Ulf Rehfeld Thodén, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company is engaged in embedded invoice factoring in SaaS platforms, providing invoice factoring services, assessing credit risk, offering funding against invoices, managing invoices and collecting payments, and maintaining accurate accounting records.

Development in activities and financial position

The Company's income statement for 2022 shows a loss of DKK 21,276,635 as against DKK 12,242,567 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 17,478,421 as against DKK 38,624,975 at 31 December 2021.

Since the restraints of Covid-19 have slowly dissipated, the Company is looking to expand to new platforms, markets and countries. With promising opportunities in the pipeline, the company expects to continue its strong growth trajectory not only in the Nordics, but also in the EU.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2022	2021
Gross loss		-2,956,300	-1,666,636
Staff costs	2	-15,144,195	-10,441,595
Depreciation, amortisation and impairment losses		-3,640,709	-1,589,439
Other operating costs		<u>485,966</u>	<u>-1,807,877</u>
Loss before financial income and expenses		-21,255,238	-15,505,547
Other financial income		5,002	3,267
Other financial expenses		<u>-26,399</u>	<u>-184,136</u>
Loss before tax		-21,276,635	-15,686,416
Tax on profit/loss for the year	3	<u>0</u>	<u>3,443,849</u>
Loss for the year		<u><u>-21,276,635</u></u>	<u><u>-12,242,567</u></u>
Proposed distribution of loss			
Reserve for development projects		3,380,560	3,755,785
Retained earnings		<u>-24,657,195</u>	<u>-15,998,352</u>
		<u><u>-21,276,635</u></u>	<u><u>-12,242,567</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Intangible assets			
Completed development projects		8,839,706	12,265,091
Development projects in progress	4	<u>13,979,895</u>	<u>6,220,459</u>
		<u>22,819,601</u>	<u>18,485,550</u>
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		308,987	432,102
Leasehold improvements		<u>179,376</u>	<u>271,585</u>
		<u>488,363</u>	<u>703,687</u>
Investments			
Equity investments in group entities		<u>2,248,207</u>	<u>2,248,207</u>
Total fixed assets		<u>25,556,171</u>	<u>21,437,444</u>
Current assets			
Receivables			
Trade receivables		0	512
Receivables from group entities		0	7,069,835
Other receivables		448,078	1,058,413
Deferred tax asset		2,125,296	3,150,801
Corporation tax		1,025,504	0
Prepayments		<u>62,803</u>	<u>211,498</u>
		<u>3,661,681</u>	<u>11,491,059</u>
Cash at bank and in hand		<u>2,505,845</u>	<u>7,165,964</u>
Total current assets		<u>6,167,526</u>	<u>18,657,023</u>
TOTAL ASSETS		<u>31,723,697</u>	<u>40,094,467</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		804,773	748,831
Reserve for development costs		17,799,289	14,418,729
Retained earnings		<u>-1,125,641</u>	<u>23,457,415</u>
Total equity		<u>17,478,421</u>	<u>38,624,975</u>
Liabilities			
Non-current liabilities			
Other payables		<u>627,515</u>	<u>614,315</u>
Current liabilities			
Trade payables		730,258	332,219
Payables to group entities		12,761,868	0
Other payables		<u>125,635</u>	<u>522,958</u>
		<u>13,617,761</u>	<u>855,177</u>
Total liabilities		<u>14,245,276</u>	<u>1,469,492</u>
TOTAL EQUITY AND LIABILITIES		<u><u>31,723,697</u></u>	<u><u>40,094,467</u></u>
 Contractual obligations, contingencies, etc.			
	6		
Collateral	7		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022	748,831	14,418,729	23,457,415	38,624,975
Cash capital increase	55,942	0	74,139	130,081
Transferred over the distribution of loss	0	3,380,560	-24,657,195	-21,276,635
Equity at 31 December 2022	804,773	17,799,289	-1,125,641	17,478,421

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of MoneyFlow Group A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives.

Property, plant and equipment

Fixtures and fittings, tools and equipment as well as leasehold improvement are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash comprises bank deposits.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK	2022	2021	
2 Staff costs			
Wages and salaries	13,518,847	9,430,329	
Pensions	1,534,846	945,823	
Other social security costs	90,502	65,443	
	15,144,195	10,441,595	
Average number of full-time employees	27	24	
3 Tax on loss for the year			
Deferred tax for the year	0	-3,455,490	
Adjustment of tax concerning previous years	0	11,641	
Adjustment of deferred tax concerning previous years	0	0	
	0	-3,443,849	
4 Intangible assets			
DKK	Completed development projects	Development projects in progress	Total
Cost at 1 January 2022	14,053,496	6,220,459	20,273,955
Additions for the year	0	7,759,436	7,759,436
Cost at 31 December 2022	14,053,496	13,979,895	28,033,391
Amortisation and impairment losses at 1 January 2022	-1,788,405	0	-1,788,405
Amortisation for the year	-3,425,385	0	-3,425,385
Amortisation and impairment losses at 31 December 2022	-5,213,790	0	-5,213,790
Carrying amount at 31 December 2022	8,839,706	13,979,895	22,819,601

Financial statements 1 January – 31 December

Notes

5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	615,577	461,046	1,076,623
Cost at 31 December 2022	615,577	461,046	1,076,623
Depreciation and impairment losses at 1 January 2022	-183,475	-189,461	-372,936
Depreciation for the year	-123,115	-92,209	-215,324
Depreciation and impairment losses at 31 December 2022	-306,590	-281,670	-588,260
Carrying amount at 31 December 2022	308,987	179,376	488,363

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all the Danish affiliated companies. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 3 months and an average monthly lease payments of DKK 66 thousand, totalling DKK 198 thousand (2021: DKK 198 thousand).

7 Collateral

The Company's has made collateral (virksomhedspant), for an amount of DKK 12 million towards Vækstfonden and DKK 25 million towards its main bank, in total 37 million, related to loans for the company and its subsidiary Moneyflow 1 A/S as main lender, as of at 31 December 2022.