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statsautoriseret revisionsaktieselskab

**e-Money Markets ApS**  
Hammerensgade 1, 2., 1267 København K

**Company reg. no. 39 44 90 48**

**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 Executive Board has approved the annual report of e-Money Markets ApS 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

### **Executive board**

Martin Dyring-Andersen

Henrik Aasted Sørensen



## **Independent auditor's report**

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### **To the Shareholder of e-Money Markets ApS**

#### **Opinion**

We have audited the financial statements of e-Money Markets ApS 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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### **The company**

e-Money Markets ApS  
Hammerensgade 1, 2.  
1267 København K

Company reg. no. 39 44 90 48  
Domicile: Copenhagen  
Financial year: 1 January - 31 December

### **Executive board**

Martin Dyring-Andersen  
Henrik Aasted Sørensen

### **Auditors**

Baagøe | Schou  
statsautoriseret revisionsaktieselskab  
Fiolstræde 44, 3. th.  
1171 København K

### **Parent company**

Block Finance A/S



## Management's review

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

The company's core activity is, to act as a liquidity provider (“market maker”) for tokenized assets and currencies on a variety of exchanges.

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

The gross loss for the year totals DKK -1.486.723 against DKK -775.491 last year. Income or loss from ordinary activities after tax totals DKK -1.346.946 against DKK -673.484 last year. Management considers the net profit or loss for the year satisfactory.

### **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>-1.486.723</b>	<b>-775.491</b>
Other financial income	122.749	0
1 Other financial expenses	0	-87.963
<b>Pre-tax net profit or loss</b>	<b>-1.363.974</b>	<b>-863.454</b>
2 Tax on net profit or loss for the year	17.028	189.970
<b>Net profit or loss for the year</b>	<b>-1.346.946</b>	<b>-673.484</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-1.346.946	-673.484
<b>Total allocations and transfers</b>	<b>-1.346.946</b>	<b>-673.484</b>



## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current assets</b>		
Crypto assets	10.039.432	5.448.011
Total inventories	10.039.432	5.448.011
Receivables from group companies	171.461	79.730
Tax receivables from group companies	17.028	189.970
Total receivables	188.489	269.700
Cash and cash equivalents	0	256.270
<b>Total current assets</b>	<b>10.227.921</b>	<b>5.973.981</b>
<b>Total assets</b>	<b>10.227.921</b>	<b>5.973.981</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	60.000	50.000
Retained earnings	3.963	-729.091
<b>Total equity</b>	<b><u>63.963</u></b>	<b><u>-679.091</u></b>
 <b>Liabilities other than provisions</b>		
Bank loans	10.076.290	0
Trade payables	25.000	35.001
Payables to group companies	62.668	6.618.071
Total short term liabilities other than provisions	<u>10.163.958</u>	<u>6.653.072</u>
<b>Total liabilities other than provisions</b>	<b><u>10.163.958</u></b>	<b><u>6.653.072</u></b>
 <b>Total equity and liabilities</b>	 <b><u>10.227.921</u></b>	 <b><u>5.973.981</u></b>

**3 Charges and security**

**4 Contingencies**



## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	50.000	0	-729.091	-679.091
Cash capital increase	10.000	1.990.000	0	2.000.000
Retained earnings for the year	0	0	-1.346.946	-1.346.946
Transferred to retained earnings	0	-1.990.000	1.990.000	0
Group contribution	0	0	90.000	90.000
	<b>60.000</b>	<b>0</b>	<b>3.963</b>	<b>63.963</b>



## Notes

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All amounts in DKK.

	<u>2022</u>	<u>2021</u>
<b>1. Other financial expenses</b>		
Financial costs, group enterprises	0	87.963
Other financial costs	<u>0</u>	<u>0</u>
	<u><b>0</b></u>	<u><b>87.963</b></u>
<b>2. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	-17.028	-189.970
Adjustment of deferred tax for the year	<u>0</u>	<u>0</u>
	<u><b>-17.028</b></u>	<u><b>-189.970</b></u>

### 3. Charges and security

The company has no charges or securities.

### 4. Contingencies

#### Contingent assets

The company has a non-activated deferred tax asset of DKK 274 thousand.

#### 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 is proportionally liable for tax claims within the joint taxation scheme.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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.



## Accounting policies

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The annual report for e-Money Markets ApS 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 loss**

Gross loss comprises the revenue, cost of sales and external costs.

Income is recognised based on tokens received from liquidity services provided, when tokens are exchanged to FIAT currencies at fair value.

Cost of sales is recognised based on tokens sold, when tokens are exchanged to FIAT currencies at fair value.

Other external costs comprise costs incurred for administration.

#### **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.

#### **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).

### Statement of financial position

#### **Inventories**

##### **Cryptocurrencies**

Inventories including cryptocurrencies are measured at cost based on the FIFO method. If the net realisation value, i.e. the market price, of inventories is lower than the cost price, it shall be written down for impairment to this lower value.

Cost includes acquisition cost plus any related purchase costs.

The net realisation value is calculated as a selling price, i.e. the market price less costs incurred to effectuate sales. The net realisation value is determined with due consideration to negotiability and developments in the expected selling price.



## Accounting policies

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Sale of cryptocurrencies is recognised as turnover with an accompanying 'cost of sales'.

### Receivables

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

### Cash on hand and demand deposits

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

### 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, e-Money Markets ApS is proportionally 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.

### 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 are measured at net realisable value.



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This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Martin Dyring-Andersen

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Direktør  
ID: 184a9484-4d5d-4fe5-8f8e-c96c3507662c  
CPR-match med dansk MitID  
Dato for underskrift: 29-06-2023  
Underskrevet med MitID



## Henrik Aasted Sørensen

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Navnet returneret af dansk MitID var:  
Henrik Aasted Sørensen  
Direktør  
ID: 7a5ebe2b-5d0a-496e-a18e-696840a99463  
CPR-match med dansk MitID  
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  
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NEM ID

## Martin Dyring-Andersen

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Navnet returneret af dansk MitID var:  
NAVNE & ADRESSEBESKYTTET  
Dirigent  
ID: 184a9484-4d5d-4fe5-8f8e-c96c3507662c  
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Dato for underskrift: 29-06-2023  
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