

**Stablecoin Integration Services Danmark ApS**

**Stormgade 10, 1470 København K**

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**Annual report**

**1 January - 31 December 2022**

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**Company reg. no. 39 72 94 82**

The annual report was submitted and approved by the general meeting on the 19 July 2023.

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**Torben René Jørgensen**  
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 Managing Director has approved the annual report of Stablecoin Integration Services Danmark ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my 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 my 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.

København K, 19 July 2023

**Managing Director**

Torben René Jørgensen

## Independent auditor's report

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### To the Shareholders of Stablecoin Integration Services Danmark ApS

#### Opinion

We have audited the financial statements of Stablecoin Integration Services Danmark ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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, 19 July 2023

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

### **Leif Tomasson**

State Authorised Public Accountant  
mne25346

## Company information

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<b>The company</b>	Stablecoin Integration Services Danmark ApS
	Stormgade 10
	1470 København K
	Company reg. no. 39 72 94 82
	Financial year: 1 January - 31 December
	4th financial year
<b>Managing Director</b>	Torben René Jørgensen
<b>Auditors</b>	Martinsen
	Statsautoriseret Revisionspartnerselskab
	Øster Allé 42
	2100 København Ø
<b>Parent company</b>	Universal DeFi Holding Company Limited

## **Management´s review**

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

Like previous years, the activities are software development.

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

The gross loss for the year totals DKK -743.000 against DKK 86.101.000 last year. Income or loss from ordinary activities after tax totals DKK -10.788.000 against DKK -15.476.000 last year. Management considers the net loss for the year satisfactory under the circumstances.



## Accounting policies

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The annual report for Stablecoin Integration Services Danmark 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.

### Income statement

#### Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### Staff costs

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

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

## Accounting policies

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### 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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### The balance sheet

#### Financial fixed assets

##### Deposits

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

##### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

##### Cryptocurrencies

Inventories including cryptocurrencies are measured at cost based on the basis of weighted measured average prices. 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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### Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### Prepayments

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

### Cash and cash equivalents

Cash and cash equivalents 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.

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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

## Accounting policies

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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**

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

**Income statement 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Gross profit</b>	<b>-742.817</b>	<b>86.101.114</b>
1 Staff costs	-10.037.864	-100.031.399
Depreciation and impairment of property, land, and equipment	0	-9.361
<b>Operating profit</b>	<b>-10.780.681</b>	<b>-13.939.646</b>
Other financial income	0	328
Impairment of financial assets	0	-1.511.003
2 Other financial expenses	-7.135	-26.015
<b>Pre-tax net profit or loss</b>	<b>-10.787.816</b>	<b>-15.476.336</b>
<b>Net profit or loss for the year</b>	<b>-10.787.816</b>	<b>-15.476.336</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-10.787.816	-15.476.336
<b>Total allocations and transfers</b>	<b>-10.787.816</b>	<b>-15.476.336</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
4	Deposits	<u>0</u>	<u>15.000</u>
	Total investments	<u>0</u>	<u>15.000</u>
	<b>Total non-current assets</b>	<u><b>0</b></u>	<u><b>15.000</b></u>
<b>Current assets</b>			
	Manufactured goods and goods for resale	<u>0</u>	<u>10.785.090</u>
	Total inventories	<u>0</u>	<u>10.785.090</u>
	Trade receivables	10.300.781	10.252.274
	Income tax receivables	0	16.000
	Other receivables	35	95.341
	Prepayments	<u>0</u>	<u>2.869</u>
	Total receivables	<u>10.300.816</u>	<u>10.366.484</u>
	Cash and cash equivalents	<u>944.940</u>	<u>1.223.665</u>
	<b>Total current assets</b>	<u><b>11.245.756</b></u>	<u><b>22.375.239</b></u>
	<b>Total assets</b>	<u><b>11.245.756</b></u>	<u><b>22.390.239</b></u>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
Contributed capital		40.000	40.000
Retained earnings		11.204.614	21.992.430
<b>Total equity</b>		<b>11.244.614</b>	<b>22.032.430</b>
<b>Long term liabilities other than provisions</b>			
Trade payables		176	102.666
Other payables		966	255.143
Total short term liabilities other than provisions		1.142	357.809
<b>Total liabilities other than provisions</b>		<b>1.142</b>	<b>357.809</b>
<b>Total equity and liabilities</b>		<b>11.245.756</b>	<b>22.390.239</b>

**5 Contingencies**

## Statement of changes in equity

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All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	40.000	21.992.430	22.032.430
Profit or loss for the year brought forward	0	-10.787.816	-10.787.816
	<b>40.000</b>	<b>11.204.614</b>	<b>11.244.614</b>



## Notes

All amounts in DKK.

	2022	2021
<b>1. Staff costs</b>		
Salaries and wages	10.037.864	100.018.903
Other costs for social security	0	12.496
	<u>10.037.864</u>	<u>100.031.399</u>
 Average number of employees	 <u>1</u>	 <u>11</u>
<b>2. Other financial expenses</b>		
Other financial costs	7.135	26.015
	<u>7.135</u>	<u>26.015</u>
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2022	21.315	29.025
<b>Cost 31 December 2022</b>	<b>21.315</b>	<b>29.025</b>
Depreciation and writedown 1 January 2022	-21.315	-19.664
Depreciation for the year	0	-9.361
<b>Depreciation and writedown 31 December 2022</b>	<b>-21.315</b>	<b>-29.025</b>
<b>4. Deposits</b>		
Cost 1 January 2022	15.000	82.528
Disposals during the year	-15.000	-67.528
<b>Cost 31 December 2022</b>	<b>0</b>	<b>15.000</b>
 <b>Carrying amount, 31 December 2022</b>	 <b>0</b>	 <b>15.000</b>
<b>5. Contingencies</b>		
<b>Contingent assets</b>		
Tax value of deficit, 9 mio DKK, is not included because of uncertainty of when it will be utilized.		

## Notes

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All amounts in DKK.

### 5. Contingencies (continued)

#### Contingent liabilities

The company has no contingencies on 31 December 2022.