BEIERHOLM
VI SKABER BALANCE

Mazepay A/S

Viborgvej 157 B, 8210 Aarhus V

CVR no. 39 77 23 88

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 20.06.24

Jørgen Allan Horwitz
Dirigent

Table of contents

Company information etc.

The company

Mazepay A/S
Viborgvej 157 B
8210 Aarhus V
E-mail: info@mazepay.com
Registered office: Aarhus
CVR no.: 39 77 23 88
Financial year: 01.01 - 31.12

Executive Board

Søren Aabel Hammer

Board of Directors

Jørgen Allan Horwitz
Keld Sørensen
Dan Kortegaard Nielsen
Lars Jensen
Kevin Joseph Stanton

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Mazepay A/S.

The annual report is presented 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 as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aarhus V, June 19, 2024

Executive Board

Søren Aabel Hammer

Board of Directors

Jørgen Allan Horwitz Chairman	Keld Sørensen	Dan Kortegaard Nielsen
Lars Jensen	Kevin Joseph Stanton	

Independent auditor's report

To the Shareholder of Mazepay A/S

Opinion

We have audited the financial statements of Mazepay A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant 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 financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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.

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, it is 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 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.

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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, June 19, 2024

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Daniel Ulrich
State Authorized Public Accountant
MNE-no. mne32727

Primary activities

The company's main activities consist of developing and operating software products, as well as performing activities as a payment institution related to the software products.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK -14,366,501 against DKK -7,952,420 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 15,270,107.

Significant uncertainty as regards going concern

The company is a Fintech startup company developing software and is reliant on having the necessary financial resources available through external funding or loan facilities. The company is in continuous dialog with the current investors as well as potential new investors to secure these financial facilities.

When presenting the annual report, the Management of the company expects to secure additional funding during 2024 to secure the future growth and has therefore presented the annual report under going concern.

Subsequent events

After the balance sheet date, the company has entered into an agreement on two capital increases. The first capital increase is for EUR 1,967,456 and was completed in June and the second is for EUR 300,086 and is expected to be completed in August 2024.

Income statement

Note		2023 DKK	2022 DKK
	Gross loss	**-4,201,353**	**-2,374,953**
2	Staff costs	-10,488,219	-7,749,476
	Loss before depreciation, amortisation, write-downs and impairment losses	**-14,689,572**	**-10,124,429**
	Depreciation and impairments losses of property, plant and equipment	-31,894	-49,422
	Operating loss	**-14,721,466**	**-10,173,851**
	Financial income	8,601	0
	Financial expenses	-6,431	-48,376
	Loss before tax	**-14,719,296**	**-10,222,227**
	Tax on loss for the year	352,795	2,269,807
	Loss for the year	**-14,366,501**	**-7,952,420**

	2023 DKK	2022 DKK
Proposed appropriation account		
Retained earnings	-14,366,501	-7,952,420
Total	**-14,366,501**	**-7,952,420**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Other fixtures and fittings, tools and equipment	10,039	41,933
3	**Total property, plant and equipment**	**10,039**	**41,933**
4	Equity investments in group enterprises	7,083	0
5	Deposits	359,426	192,998
	Total investments	**366,509**	**192,998**
	Total non-current assets	**376,548**	**234,931**
	Trade receivables	178,522	148,789
	Deferred tax asset	3,119,239	3,116,749
	Income tax receivable	350,305	208,115
	Other receivables	34,143	1,080,528
	Prepayments	157,481	0
	Total receivables	**3,839,690**	**4,554,181**
	Cash	**12,867,512**	**12,760,662**
	Total current assets	**16,707,202**	**17,314,843**
	Total assets	**17,083,750**	**17,549,774**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Share capital	784,941	685,637
	Retained earnings	14,485,166	14,073,752
	Total equity	**15,270,107**	**14,759,389**
	Payables to other credit institutions	198,465	197,502
	Trade payables	289,942	221,257
	Other payables	882,013	437,563
	Deferred income	443,223	1,934,063
	Total short-term payables	**1,813,643**	**2,790,385**
	Total payables	**1,813,643**	**2,790,385**
	Total equity and liabilities	**17,083,750**	**17,549,774**

6 Contingent assets
7 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Retained earnings	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	685,637	0	14,073,752	14,759,389
Capital increase	99,304	14,777,915	0	14,877,219
Transfers to/from other reserves	0	-14,777,915	14,777,915	0
Net profit/loss for the year	0	0	-14,366,501	-14,366,501
Balance as at 31.12.23	784,941	0	14,485,166	15,270,107

1. Subsequent events

After the balance sheet date, the company has entered into an agreement on two capital increases. The first capital increase is for EUR 1,967,456 and was completed in June and the second is for EUR 300,086 and is expected to be completed in August 2024.

	2023 DKK	2022 DKK
2. Staff costs		
Wages and salaries	9,719,018	7,210,444
Pensions	631,758	462,207
Other social security costs	137,443	76,825
Total	10,488,219	7,749,476
Average number of employees during the year	17	12

3. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	183,343
Cost as at 31.12.23	183,343
Depreciation and impairment losses as at 01.01.23	-141,410
Depreciation during the year	-31,894
Depreciation and impairment losses as at 31.12.23	-173,304
Carrying amount as at 31.12.23	10,039

4. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Additions during the year	7,083
Cost as at 31.12.23	7,083
Carrying amount as at 31.12.23	7,083
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0

5. Other non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	192,998
Additions during the year	166,428
Cost as at 31.12.23	359,426
Carrying amount as at 31.12.23	359,426

6. Contingent assets

The company has a deferred tax asset with a total amount of DKK 5,986k, which has only been recognized in the balance sheet with an amount of DKK 3,119k. The deferred tax asset can mainly be attributed to tax losses carried forward and the difference between the total amount and the recognized amount is due to the estimation that the tax losses might not be utilized fully in the next 3 years. The tax losses can be carried forward indefinitely and therefore the company expect that the difference will be utilized fully after a longer period than 3 years.

7. Contingent liabilities

Lease commitments

The company has entered into rental agreements of t.DKK 905 per year which is nonscancellable for 6 months.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

Change in accounting policies

The company has changed its accounting policies in the following areas:

Presentation of income/expenses in the income statement

The company has reclassified income/expenses associated withsalary refunds and other personnel costs. Salary refunds and other personnel costs were previously classified under "personnel costs". From the current year, salary refunds are classified as "other perating income" and other personnel costs are classified as "other external costs" in the income statement as management believes that this will provide a fairer presentation. Comparative figures have been restated in accordance with the new accounting policy. The change in accounting policy has no impact on the net profit or loss for the year, equity or balance sheet total.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial

8. Accounting policies - continued -

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

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross loss

Gross loss comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

8. Accounting policies - continued -

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value DKK
Other plant, fixtures and fittings, tools and equipment	3-4	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

8. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

8. Accounting policies - continued -

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

8. Accounting policies - continued -

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

8. Accounting policies - continued -

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.