



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

e-Money A/S
Hammerensgade 1, 2., 1267 København K

Company reg. no. 40 71 73 82

Annual report

1 January - 31 December 2022

This document has esignatur Agreement-ID: ab29c4kjuYg250338045

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

Martin Dyring-Andersen
Chairman of the meeting

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Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2022	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

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

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

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

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

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

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

Copenhagen, 29 June 2023

Managing Director

Martin Dyring-Andersen

Board of directors

Henrik Ørum
Chairman

Martin Dyring-Andersen

Henrik Aasted Sørensen



Independent auditor's report

To the Shareholder of e-Money A/S

Opinion

We have audited the financial statements of e-Money A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent auditor's report

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

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

The company	e-Money A/S Hammerensgade 1, 2. 1267 København K Company reg. no. 40 71 73 82 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Henrik Ørum, Chairman Martin Dyring-Andersen Henrik Aasted Sørensen
Managing Director	Martin Dyring-Andersen
Auditors	Baagøe Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K
Parent company	Block Finance A/S



Management's review

The principal activities of the company

The Company's core activity is to issue virtual currency and trade in connection therewith.

Development in activities and financial matters

The gross loss for the year totals DKK -9.374.998 against DKK 9.331.956 last year. Income or loss from ordinary activities after tax totals DKK -11.283.583 against DKK 7.296.781 last year. Management considers the net profit or loss for the year dissatisfactory.

Events occurring after the end of the financial year

The company has after the end of the financial year announced that the company is stopping its activity issuing stablecoins. The stablecoins are expected to be phased out by the end of 2023.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	-9.374.998	9.331.956
Income from investment in participating interest	-1.989.340	0
Other financial income from group companies	0	58.442
Other financial income	0	3.814
Other financial expenses	-10.281	-39.375
Pre-tax net profit or loss	-11.374.619	9.354.837
2 Tax on net profit or loss for the year	91.036	-2.058.056
Net profit or loss for the year	-11.283.583	7.296.781
Proposed distribution of net profit:		
Transferred to retained earnings	0	7.296.781
Allocated from retained earnings	-11.283.583	0
Total allocations and transfers	-11.283.583	7.296.781



Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
3	Investment in participating interest	10.660	0
4	Deposits	46.500	0
	Total investments	<u>57.160</u>	<u>0</u>
	Total non-current assets	<u>57.160</u>	<u>0</u>
Current assets			
	Crypto assets	<u>2.700.396</u>	<u>12.901.442</u>
	Total inventories	<u>2.700.396</u>	<u>12.901.442</u>
	Receivables from group companies	703.186	4.812.198
	Tax receivables from subsidiaries	91.036	0
	Other receivables	<u>47.732</u>	<u>0</u>
	Total receivables	<u>841.954</u>	<u>4.812.198</u>
5	Cash	<u>19.540.378</u>	<u>77.919.008</u>
	Total current assets	<u>23.082.728</u>	<u>95.632.648</u>
	Total assets	<u>23.139.888</u>	<u>95.632.648</u>

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Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	400.000	400.000
Retained earnings	3.399.815	14.683.398
Total equity	<u>3.799.815</u>	<u>15.083.398</u>
 Liabilities other than provisions		
Trade payables	70.000	256.016
Payables to group companies	29.921	2.083.405
Income tax payable to group companies	0	2.058.056
6 Other payables	19.240.152	76.151.773
Total short term liabilities other than provisions	<u>19.340.073</u>	<u>80.549.250</u>
 Total liabilities other than provisions	 <u>19.340.073</u>	 <u>80.549.250</u>
 Total equity and liabilities	 <u>23.139.888</u>	 <u>95.632.648</u>
 1 Subsequent events		
7 Charges and security		
8 Contingencies		



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	400.000	14.683.398	15.083.398
Retained earnings for the year	0	-11.283.583	-11.283.583
	400.000	3.399.815	3.799.815



Notes

All amounts in DKK.

1. Subsequent events

The company has after the end of the financial year announced that the company is stopping its activity issuing stablecoins. The stablecoins are expected to be phased out by the end of 2023.

	<u>2022</u>	<u>2021</u>
2. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-91.036	2.058.056
Adjustment of deferred tax for the year	<u>0</u>	<u>0</u>
	<u>-91.036</u>	<u>2.058.056</u>

	<u>31/12 2022</u>	<u>31/12 2021</u>
3. Investment in participating interest		
Cost 1 January 2022	0	0
Additions during the year	2.000.000	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2022	<u>2.000.000</u>	<u>0</u>
Revaluations, opening balance 1 January 2022	0	0
Revaluations for the year	<u>-1.989.340</u>	<u>0</u>
Write-down 31 December 2022	<u>-1.989.340</u>	<u>0</u>
Carrying amount, 31 December 2022	<u>10.660</u>	<u>0</u>

4. Deposits

Cost 1 January 2022	0	0
Additions during the year	46.500	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 December 2022	<u>46.500</u>	<u>0</u>
Carrying amount, 31 December 2022	<u>46.500</u>	<u>0</u>



Notes

All amounts in DKK.

31/12 2022

31/12 2021

5. Cash

The total amount of cash related to the stablecoin issuance at year end is DKK 19,234 thousand.

6. Other payables

The stablecoins balances at year end is DKK 19,234 thousand.

Other Payables comprises of a constructive obligation to pay back holders of the stablecoins issued by the company. The obligation comprises of the corresponding cash value of the respective currency backed token.

The company have acquired own stablecoins for a total value of DKK 97 thousand, which has been deducted in other liabilities to present to actual liability to third parties.

7. Charges and security

As security for the company's engagement with their bank, the company has pledged all present and future securities and credit balances held within the bank. The total carrying amount of these assets is at the balance sheet date DKK 19,540 thousand.

8. Contingencies

Contingent assets

The company has a non-activated deferred tax asset of DKK 1,963 thousand

Joint taxation

With VRTY Capital ApS, company reg. no 29928606 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

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



Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

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

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



Accounting policies

Income statement

Gross loss

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

e-Money A/S is issuer of NGM Tokens where no obligation exists for the issuer. NGM Tokens are afterwards sold to third parties.

Income from the sale of NGM tokens is recognised when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income is recognised on fair value of the proceeds received from the sales in either FIAT- or Cryptocurrency.

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 distribution, sales, advertising and administration, etc.

Financial income and expenses

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

Results from participating interest

Dividend from participating interest is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

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

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

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



Accounting policies

Statement of financial position

Investments

Participating interest

Participating interest is recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

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

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.

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"



Accounting policies

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

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

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

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

Liabilities other than provisions

Other liabilities related to payments received concerning issued stablecoins, which is recognised at the date of issuance at the net proceeds received less transaction costs paid. E-Money is issuer of stablecoins and have a constructive obligation to the buyer. On subsequent recognition, financial liabilities are measured at amortised cost.

Any other liabilities are measured at net realisable value.

Martin Dyring-Andersen

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



Martin Dyring-Andersen

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



Henrik Ørum

Navnet returneret af dansk MitID var:
Henrik Ørum
Bestyrelsesformand
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CPR-match med dansk MitID
Dato for underskrift: 29-06-2023
Underskrevet med MitID



Henrik Aasted Sørensen

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CPR-match med dansk MitID
Dato for underskrift: 29-06-2023
Underskrevet med MitID



Torben B. Petersen

Navnet returneret af dansk NemID var:
Torben B. Petersen
Revisor
ID: 1295939049169
CVR-match med dansk NemID
Dato for underskrift: 29-06-2023
Underskrevet med NemID

NEM ID

Martin Dyring-Andersen

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Dirigent
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CPR-match med dansk MitID
Dato for underskrift: 29-06-2023
Underskrevet med MitID

