

**ViaBill Tech A/S
CVR-nr. 41202785
Grønnegade 10, 1
1107 København**

Annual Report 2018/2019

Adopted at the Annual General Meeting, 11.03.2020

Chairman of the Annual General Meeting

Name: Jan Lytje-Hansen



CVR-nr. 41202785

ViaBill Tech A/S ANNUAL REPORT 2018/2019

Adopted at the Annual General Meeting, 11.03.2020

Chairman of the Annual General Meeting

Name: Jan Lytje-Hansen

ViaBill Tech A/S
Grønnegade 10, 1
1107 København

CVR-nr.: 41202785

Phone: 88 826 826

GENERAL INFORMATION

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ViaBill Tech A/S
Grønnegade 10, 1
1107 København
Denmark

CVR-nr.: 41202785

Headquarters: Copenhagen

Financial year: 01.10.2018 – 30.09.2019

Phone: 88 826 826

BOARD MEMBERS

Ib Dyhr Nørholm, Chairman of the board
Julien Marie Adrien Creuzé
Johan Andreas Haug
Christian Rasmussen
Jan Lytje-Hansen

DIRECTOR

Jan Lytje-Hansen, CEO

AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

LAWYER:

Gorrissen Federspiel Advokatpartnerselskab
Silkeborgvej 2
8000 Aarhus C

BANK:

Nykredit Bank
Kalvebod Brygge 1
1780 København V



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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Director have today considered and approved the first annual report of ViaBill Tech A/S for the financial year 1 October 2018 – 30 September 2019.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applying to entities of reporting class B with additional choices from reporting class C.

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 30 September 2019 and of its financial performance and cash flows for the financial year 1 October 2018 – 30 September 2019.

In our opinion the management commentary includes a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 09.03.2020

Director

Jan Lytje-Hansen
CEO

Board of Directors

Ib Dyhr Nørholm
Chairman of the board

Julien Marie Adrien Creuzé

Johan Andreas Haug

Christian Rasmussen

Jan Lytje-Hansen



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VIABILL TECH A/S

OPINION

We have audited the financial statements of ViaBill Tech A/S for the financial year 01.10.2018 - 30.09.2019, which comprise the income statement, statement of financial position, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30-09-2019 and of the results of its operations and cash flows for the financial year 01.10.2018 - 30.09.2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics

Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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, 09.03.2020

DELOITTE

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jakob Boutrup Ditlevsen
State-Authorised
Public Accountant
MNE no.: mne27275

Søren Alsen Lauridsen
State-Authorised
Public Accountant
MNE no.: mne40040



MANAGEMENT REPORT

BUSINESS CONCEPT AND MAIN ACTIVITY

MAIN ACTIVITY

The main activity of ViaBill is to deliver a convenient, flexible and competitive payment option to end customers when shopping. A widely distributed payment option, which offers unique attributes unlike other payment options.

ViaBill Tech is a pure FinTech company. Hence, our technological solutions should - and must - be of a leading quality, ingenuity, and convenience for our merchants and end customers. Our business development and IT departments continuously monitor the latest trends and opportunities in the market. They constantly test and invent new breath-taking features, e.g. the unique ViaBill Tech PriceTags and smooth checkout flow.

DEMERGER

Viabill has completed a demerger of the company's business area with effect from October 1, 2018. February 12, 2020, at the foundation of VIABILL Tech A/S, which has received the demerged activities from VIABILL A/S.

The demerger of the two business areas includes Viabill Tech A/S's web-based payment solution, where the platform is integrated into the individual webshop's checkout flow in line with other forms of payment (eg VISA, MasterCard, PayPal, etc.). In addition to the payment solution business, Viabill A/S has another business that consists of lending to end customers.

BUSINESS CONCEPT

Our main focus is to provide the end customer with a payment option and service, which leads to a long-term and profitable customer relationship. This can only be achieved if the ViaBill Tech service is transparent and competitive. The idea and value of the ViaBill Tech service is to turn our customers into returning customers. Hence, it's important that our service is convenient to use, and that the shopping opportunities where our payment option can be used are vast and satisfy the needs of our customers.

LONG-TERM GOALS

Our long-term goal is to be an internationally significant payment option, which is to be achieved by offering strong value propositions to the end customers. This leads to long-term relationships with our customers and multiple purchases with ViaBill Tech. It's ViaBill's belief that more happy returning customers lead to more transactions through ViaBill Tech. And the higher the percentage of a merchant's total transactions created through ViaBill Tech is, the more significant and indispensable the ViaBill Tech service is. Often, merchants who offer the ViaBill Tech payment option as a supplement to other instant payment options experience increased conversion, a significant increase in basket size, hence an increase in revenue and net profit.

It's our goal to continue to provide the market with an outstanding payment option containing smart features and services. Not just when shopping, but also after shopping, where our customers are introduced to our "World's Biggest Virtual Shopping Mall", containing extraordinary discounts, services, opportunities, and experiences. There should be no reason for a merchant not to offer ViaBill as a payment option, hence, we wish and expect our infrastructure to be as comprehensive as possible for the benefit of our customers and merchants.

THE YEAR IN BRIEF

OPERATIONS

In the reporting period 2018/2019, ViaBill Tech A/S generated a net loss of DKK 14.494.233.

INVESTMENTS

In this reporting period, ViaBill Tech A/S has mainly invested in our intangible asset: The development of our software. The investment in our software represents DKK 8,085,430.

KNOWLEDGE RESOURCES

ViaBill Tech A/S' knowledge resources can be divided into three categories: Technology and development, employees, and external partners.

TECHNOLOGY AND DEVELOPMENT

It is crucial for ViaBill Tech - both short-term and long-term - to deliver a portfolio of excellent technologies, which generates a perception among our customers that the ViaBill Tech service is of great importance, quality, and convenience. Hence, it is important for Management that ViaBill Tech constantly delivers new excellent features to our customers.

EMPLOYEES

The competence and knowledge level of our employees are of crucial importance in our constant aim to deliver excellent services. Throughout the year, ViaBill Tech has been able to attract highly skilled employees, especially in the Software Development Department.

EXTERNAL PARTNERS

An important resource for ViaBill Tech is the relationship and cooperation with our many external partners, e.g. Payment Service Providers, shop systems, web bureaus, acquirers and public opinion leaders such as e-mærket and FDIH. All of these external partners each have a lot of interfaces with merchants and customers, and it is important for ViaBill Tech that these partners convey a positive message about ViaBill Tech and our services to their customers, partners, and various other interfaces.

EVENTS AFTER THE END OF THE REPORTING PERIOD

From the end of the reporting date, 30.09.2019, and until today, no events have occurred, which significantly will affect the evaluation of this annual report.

EXPECTATIONS FOR AND OTHER COMMENTS ON THE FUTURE

The significant growth of both the e-commerce market and the ViaBill Tech service are expected to continue in the coming years.

THE BOARD'S WORK

The Board ensures that the executive plan specified by the Board is being adopted, targets and objectives are met, and strategies followed. Information by Management takes place systematically at meetings and through written and oral reports. These reports cover such areas as external business development and profitability and the financial position.

MANAGEMENT REPORT

INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS

The Board consists of five members.

JAN LYTJE-HANSEN **(MEMBER OF THE BOARD AND DIRECTOR)**

MEMBER OF THE BOARD:

The Holding Co. A/S
ViaBill Finans ApS

DIRECTOR:

Metier Holding ApS
Real Metier A/S
ViaBill Finans ApS
ViaBill A/S

IB DYHR NØRHOLM **(CHAIRMAN OF THE BOARD)**

CHAIRMAN OF THE BOARD:

The Holding Co. A/S
Whiteaway A/S
Skousen Online Service A/S
ViaBill Finans ApS
ViaBill A/S

DEPUTY CHAIRMAN OF THE BOARD:

CoffeeClub ApS
Indeks Retail A/S

MEMBER OF THE BOARD:

Venue Manager A/S
Pixizoo ApS
Whiteaway Group A/S

DIRECTOR:

Beton & Wood ApS
TIN Holding ApS
Over Hækken 12 ApS
Over Hækken 14 ApS

CHRISTIAN RASMUSSEN **(MEMBER OF THE BOARD)**

MEMBER OF THE BOARD:

The Holding Co. A/S
ViaBill Finans ApS
ViaBill A/S

DIRECTOR:

Fjelsted Rasmussen Invest ApS

JULIEN MARIE ADRIEN CREUZÉ **(MEMBER OF THE BOARD)**

MEMBER OF THE BOARD:

The Holding Co. A/S
Fremavi SAS
Descartes Underwriting SAS
Finspot SAS
MCA Finance SA
ViaBill A/S

DIRECTOR:

Blackfin Capital Partners SAS

JOHAN ANDREAS HAUG **(MEMBER OF THE BOARD)**

CHAIRMAN OF THE SUPERVISORY BOARD:

Exporo AG

MEMBER OF THE SUPERVISORY BOARD:

Apiax AG

SUPERVISORY BOARD OBSERVER:

Smartfrog Ltd.
Canary Connect Inc.

MEMBER OF THE BOARD:

The Holding Co. A/S
Azimo Ltd.
ByDesign (UK) Ltd. (myDeco)
Dead Happy Ltd.
Decentralized Mobile Applications Ltd.
Deposit Solutions GmbH
Flux Systems Ltd.
Online Tours (Magnelenia Holdings)
ViaBill A/S

BOARD OBSERVER:

Copa90 Ltd.
TVSmiles GmbH

ADVISORY BOARD OBSERVER:

Fastlane Ventures (Cyprus) Ltd.

MANAGING DIRECTOR:

e.ventures Managementgesellschaft
e.ventures europe V Komplementär GmbH

GENERAL PARTNER:

e.ventures Europe V GmbH & Co. KG



INCOME STATEMENT FOR THE PERIOD 01.10.18-30.09.19

DKK	Notes	2018/19
Revenue	2	5.380.556
Total income		5.380.556
Employee costs	3	(9.807.300)
Other external costs	4	(8.372.100)
Depreciation, amortisation and impairment losses	5	(5.783.870)
Operating profit		(18.582.714)
Financial expenses	6	(4.520)
Profit before income taxes		(18.587.233)
Income taxes	7	4.093.000
Net profit		(14.494.233)
Total comprehensive income		(14.494.233)
Retained earnings		(19.136.044)
Reserve for development costs		4.641.811
Dividends		0

STATEMENT OF FINANCIAL POSITION

ASSETS

DKK	Notes	30.09.2019
In-process and developed software	8	16.749.757
Intangible assets		16.749.757
Property, plant and equipment	8	1.282.079
Tangible assets		1.282.079
Leased assets	11	2.677.784
Right-of-use assets		2.677.784
Deferred income tax assets		2.043.204
Other non-current assets		2.043.204
Total non-current assets		22.752.824
Other receivables		2.259.183
Receivables		2.259.183
Cash and bank balances		0
Total current assets		2.259.183
Total assets		25.012.007

STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

DKK	Notes	30.09.2019
Share capital		500.000
Retained earnings		(1.851.631)
Reserve for development costs		10.120.320
Equity		8.768.689
Intercompany liabilities	9, 10	11.376.324
Lease liabilities	11	1.874.950
Total non-current liabilities		13.251.274
Trade payables		1.377.275
Short-term lease	11	802.834
Other liabilities	12	811.934
Total current liabilities		2.992.044
Total liabilities		16.243.318
Total equity and liabilities		25.012.007

STATEMENT OF CHANGE IN EQUITY

DKK	Share capital	Retained earnings*	Reserve for development costs	Total equity
Equity as of 01.10.2018	0	0	0	0
Establishing of the company	500.000	3.857.304	5.478.510	9.835.814
Comprehensive income	0	-19.136.044	4.641.811	- 14.494.233
Tax free contribution	0	13.427.109	0	13.427.109
Equity as of 30.09.2019	500.000	-1.851.631	10.120.320	8.768.689

The share capital consists of 500.000 shares of 1 DKK each.

CASH FLOW STATEMENT

DKK	Notes	2018/19
Cashflow from operating activities		
Profit before income taxes		(18.587.233)
Tax paid		0
Adjustments for non-cash operating items:		
Depreciation, amortisation and impairment losses	8	5.238.414
Total		(13.348.819)
Changes in operating capital		
Current loans		501.795
Trade payables		(1.124.634)
Deferred income tax liability		268.404
Other liabilities		(1.975.939)
Total cashflow from operating activities		(2.330.374)
Cash flow from investing activities		
Acquisition of intangible assets		(8.085.430)
Acquisition of tangible assets		(1.038.809)
Total cash flow from investing activities		(9.124.239)
Cash flow from financing activities		
Increase in long term financing		11.376.324
Increase in share capital		0
Tax free contribution		13.427.109
Total cash flow from financing activities		24.803.433
Net increase/(decrease) in cash and cash equivalents		0
Cash and bank balances at 1 October		0
Cash and bank balances at 30 September		0



NOTE 1 - ACCOUNTING POLICIES

1.1 STATEMENT OF IMPLEMENTATION AND COMPLIANCE WITH IFRS

The financial statements section of the first annual report, for the period 1 October 2018 - 30 September 2019 comprises the Company's financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act applying to entities of reporting class B with additional choices from reporting class C.

1.1.1 IMPACT OF NEW ACCOUNTING STANDARDS

Management has assessed the impact of new or amended and revised accounting standards and interpretations (IFRSs) issued by the (IASB) and IFRSs endorsed by the European Union.

IMPACT OF NEW ACCOUNTING STANDARD IFRS 16 LEASES

IFRS 16 has been implemented as of 1 January 2019 Viabill Tech has adopted IFRS 16 using the modified retrospective approach according to which the comparative figures are not restated but presented in accordance with the previous IFRS standard on leases (IAS 17) IFRS 16 replaces IAS 17 Leases, and sets out the principles for the recognition, measurement, presentation and disclosure of leases and will result in almost all leases being recognized on the balance sheet by lessees, as the distinction between operating and finance leases is removed Under this new standard, an asset (the right to use the leased item) and a financial liability to make lease payments are recognized for all leases with a term of more than 12 months unless the leased asset is of low value Accordingly, the Companies leases were recognized in the balance sheet at 30 September 2019 in the form of right of use assets and lease liabilities.

As regards the income statement, IFRS 16 implementation has resulted in lease expenses being replaced by depreciation of right of use assets and interest on lease liabilities The recognition of lease assets and lease liabilities, respectively, resulted in an increase of the Companies total assets and liabilities of DKK 2,7 million at 30 September 2019. The amount is specified note 11.

ACCOUNTING POLICY IFRS 16 LEASES

Viabill Tech assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets For these leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Lease payments included in the measurement of the lease liability comprises of fixed lease payments (including in substance fixed payments).

1.2 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.2.1 LACK OF COMPARABILITY

Viabill A/S has demerged a part of the activity into Viabill Tech A/S, with Viabill A/S as the continuing company. The demerger is accounted for according to book value, according to which method the comparative figures in the annual report are not restated.

1.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

1.3.1 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Company's accounting policies, which are described in note 1, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 1 - ACCOUNTING POLICIES (CONTINUED)

RECOVERABILITY OF INTERNALLY GENERATED INTANGIBLE ASSET

During the year, the management considered the recoverability of the Company's internally generated intangible asset arising from its software development, which is included in the statement of financial position at 30 September 2019 with a carrying amount of DKKm 16.7.

The software continues to progress in a satisfactory manner, and customer reaction has reconfirmed the managements' previous estimates of anticipated revenues from the software. A sensitivity analysis has been carried out and the directors are confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

1.4 REVENUE

Under the condition that persuasive evidence of an arrangement exists revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. In cases where the inflow of economic benefits is not probable due to customer related credit risks the revenue recognized is subject to the amount of payments irrevocably received.

1.4.1 FEES AND COMMISSION

Revenues are primarily from provisions earned through partnerships and our marketing services. Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue.

Provisions are recognized when the risk has been transferred to the secondary entity.

1.5 FOREIGN CURRENCIES

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The entity's functional currency is DKK.

1.6 INTERCOMPANY

Intercompany is recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short-term and non-interest-bearing debt and of floating rate loans usually corresponds to nominal value.

1.7 EMPLOYEE COSTS

Staff costs include salaries, remuneration, retirement benefit schemes and other staff costs to the entity's employees, including to the members of the Executive Board and Board of Directors.

Staff costs are recognised in the financial year in which the employee renders the related service.

1.8. COST OF SALES

Cost of sales includes direct costs incurred when generating the revenue for the year. The Company recognised cost of sales as revenue is earned.

1.9. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.9.1 CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.9.2 DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.9.3 CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.10 PROPERTY, PLANT AND EQUIPMENT

Fixtures and equipment are stated at cost less accumulated depreciation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Amortisation periods are as follows:

Property, plant and equipment 5 years

1.11 IN-PROCESS AND DEVELOPED SOFTWARE

1.11.1 MEASUREMENT OF IN-PROCESS AND DEVELOPED SOFTWARE

Software developed or under development by the Company is recognised as an asset if the cost of development is reliably measurable and an analysis shows that future economic benefits from using the software application exceed the cost. Cost is defined as development costs incurred to make each software application ready for use. Once a software application has been developed the cost is amortised over the expected useful life. The cost of development consists primarily of direct remuneration and other directly attributable development costs. Expenses incurred in the planning phase are not capitalised, but expensed when incurred.

Amortisation periods are as follows: Developed software 7 years

On a reserve for development projects under equity, an amount corresponding to capitalized development costs related to software that is not yet operational. The reserve can not be used for dividend, distribution or coverage of losses. When the capitalized development costs are depreciated, disposed of or discontinued, the reserve is dissolved. If capitalized development costs are written down, a part of the reserve is reversed, as the reserve is reduced by current depreciation on the current development projects. The reserve is adjusted for deferred tax.

1.11.2 DERECOGNITION OF INTANGIBLE ASSETS

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.12 RECEIVABLES

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (Other receivables, VAT, and others) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

NOTES

DKK 2018/19

NOTE 2 - REVENUE

Commision	5.380.556
	5.380.556

NOTE 3 - EMPLOYEE COSTS

Salaries	6.646.895
Defined contribution plans	489.442
Social security expenses	574.555
Other employee expenses	2.096.408
	9.807.300

Number of employees (Full-time) 15

Management received salaries of 1.610.259 DKK.

NOTE 4 - OTHER EXTERNAL COSTS

Direct operating costs	1.263.304
Administrative costs	3.262.235
Sales and marketing costs	3.846.561
	8.372.100

NOTE 5 - DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Developed software	5.204.834
Property, plant and equipment	115.408
Office leases	463.628
	5.783.870

NOTE 6 - FINANCIAL EXPENSES

Foreign exchange loss (net)	4.520
	4.520

NOTES

DKK 2018/19

NOTE 7 - INCOME TAXES

Effective tax rate for the year	22%
Profit before tax	-18.587.233
Calculated tax	4.076.000
Current tax on profit for the year	4.076.000
Specification	
Current tax	0
Change in deferred tax	4.076.000
Deferred tax assets specification	
Intangible assets	-2.011.000
Tangible assets	-56.000
Tax-loss carry forward	4.093.000
Deferred tax assets (Rounded)	2.026.000

The deferred tax assets is expected to be utilized in joint taxation within the next 3 years

NOTE 8 - NON-CURRENT ASSETS

	Developed software	In-process software	Property, plant and equipment
Cost at the beginning of the year 01.10.2018	27.807.814	76.727	496.586
Additions during the year	8.086.306	8.085.430	1.178.760
Disposals during the year	0	0	(139.951)
Transferred to developed software	0	(8.086.306)	0
Cost at the end of the year 30.09.2019	35.894.120	75.852	1.535.395
Depreciation and impairment losses at the beginning of the year 01.10.2018	(14.015.381)	0	(219.735)
Depreciation for the year	(5.204.834)	0	(115.408)
Depreciation and impairment losses reversed on disposals	0	0	81.828
Depreciation and impairment losses at the end of the year 30.09.2019	(19.220.215)	0	(253.315)
Carrying amount at the end of the year 30.09.2019	16.673.905	75.852	1.282.080

NOTES

DESCRIPTION OF IN-PROCESS AND DEVELOPED SOFTWARE:

It is crucial for ViaBill Tech to deliver an excellent payment option containing smart features and services. Not just when shopping, but also after shopping, where our customers are introduced to our "World's Biggest Virtual Shopping Mall", containing extraordinary discounts, services, opportunities, and experiences. The best-in-class technologies generate a perception among our customers that the ViaBill Tech service is of great importance, quality, and convenience.

NOTE 9 - NON-CURRENT LIABILITIES	Due within 1 year	Due within 1 and 5 years	Due after 5 years
Intercompany liabilities	0	0	11.376.324
	0	0	11.376.324

Intercompany liabilities consists of Intercompany account with The Holding Co. A/S.

NOTE 10 - RECONCILIATION OF FINANCING ACTIVITIES

DKK	2017/18	Cash flow	Acquisitions	Exchange rates	Fair value	2018/19
Intercompany liabilities	0	11.376.324	0	0	0	11.376.324
Total liabilities from financing activities	0	11.376.324	0	0	0	11.376.324

NOTE 11 - LEASED LIABILITIES

Lease liabilities as of 30.09.2019	2.677.784
Short-term leases (less than 13 months) and leases of low value	802.834
Lease liabilities as of 30.09.2020	1.874.950

NOTE 12 - OTHER LIABILITIES

	2018/19
Employee costs payable	603.482
Other payables	208.452
	811.934

NOTE 13 - RELATED PARTIES TRANSACTIONS

RELATED PARTIES WITH SIGNICANT INFLUENCE:

THE HOLDING CO. A/S

Transactions with the company is made on an arm's length basis. The Holding Co. A/S owns 100 % of the shares in ViaBill Tech A/S.

The Holding Co. A/S has provided Intercompany loan of DKKm 11.4.

The Holding Co. A/S has provided tax free contribution of DKKm 13.4.

NOTE 14 - RISKS

As a result of the Company' business assumes a number of credit, market and operational risks. It is considered an essential part of our business to take on calculated risks.

Management establishes and approves the overall risk policies and limits for the company. Management also establishes the operational risk management policies and delegates the responsibilities for managing business risks, internal controls and management reporting.

Risk parameters for each department, can generally be divided into two categories: Financial risks and operational risks.

Risk management is a strategic focus area for the Company. All material and known risks are anticipated and managed on the basis of ongoing monitoring.

However, there may occur risks that management does not know or currently assesses immaterial. The following risk factors are not listed in order of priority.

FINANCIAL RISKS

LIQUIDITY RISK

Liquidity risk is the risk that there is not sufficient cash to meet financial obligations taken by the Company. In order to manage the liquidity risk the Company assess its cash resources for the short- and longterm liquidity needs on an ongoing basis.

CURRENCY RISKS

The Company's currency risks are hedged through the distribution of income and costs in the same currency (DKK). Activities outside of Denmark are affected by exchange rate changes. The Company seeks to pay significant costs in EUR to hedge currency fluctuations.

OPERATIONAL RISKS

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

This maylead to unforeseen costs or activity interruptions. It is expected that operational risks could lead to both direct and indirect economic losses.

The Company has dedicated considerable resources to reduce operational risks. A number of control procedures are in place in the form of work routines, business procedures and reconciliation processes that are embedded in the company. These procedures and an organisational separation of functions between departments help to minimise operational risks. The Company is working continuously to strengthen security and ensure continued functionality in the event of a breakdown so that the Company is at a level that meets the expectations of customers and partners.

NOTES

NOTE 15 - EVENTS AFTER THE END OF THE REPORTING PERIOD

From the end of the reporting date 30.09.2019 and until today, no events have occurred, which significantly will affect the evaluation of this annual report.

ViaBill Tech A/S
CVR-nr.: 41202785

HEADQUARTERS

Grønnegade 10, 1
1107 København
Denmark

AARHUS DEPARTMENT

Balticagade 16C, 1
8000 Aarhus C
Denmark

NEW YORK

43 W 23rd St.
New York
NY 10010
USA

MADRID

Calle de Juan de Mariana 15
28045 Madrid
Spain



[ViaBill.com](https://viabill.com)