



Softpay ApS

Æbeløgade 4, 1st floor

DK-2100 Copenhagen Ø

Central Business Registration No. 41 35 22 72

Annual Report 2021

The Annual General Meeting adopted the annual report on 30 June 2022

Chairman of the General Meeting

Ivan Sandqvist

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Company details

Company

Softpay ApS

Æbeløgade 4, 1st floor

DK-2100 Copenhagen Ø

Central Business Registration No: 41 35 22 72

Registered in Copenhagen

Phone: +45 3393 1434

Web: www.softpay.io

E-mail: hello@softpay.io

Financial period: 1 January – 31 December

Incorporated: 11 May 2020

Board of Directors

Ivan Sandqvist, Chairman

Jan Dal Lehrmann

Jacob Ajsen

Executive Board

Craig Jacoby

Company auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

Bankers

Danske Bank

Finanscenter København

Holmens Kanal 2

DK-1090 Copenhagen K

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Softpay ApS for the financial year 2021.

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 financial position at 31 December 2021 for the Company and of the results of the Company's operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 30 June 2022

Executive Board

Craig Jacoby

Board of Directors

Ivan Sandqvist
Chairman

Jan Dal Lehrmann

Jacob Ajsen

Independent Auditor's report

To the Shareholders of Softpay ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Softpay ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in Equity and notes, including a summary of significant accounting policies for the Company ("financial statements").

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 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.

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.

Independent Auditor's report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Company's Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements for the Company 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.

Independent Auditor's report

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.

Hellerup, 30 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

State Authorised Public Accountant

Mne26718

Management Review

The Annual Report for Softpay ApS for 2021 has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of requirements from medium-sized enterprises of reporting class C.

Main Activity

The Company's main activity is to develop and service Mobile Technology Platforms within the area of mobile payments.

Development in the period

The income statement for 2021 shows a loss from operations (EBITDA) of KDKK 7.412 (2020 loss: 2.793) and a loss after tax of KDKK 5.480 (2020 loss: 1.904). On 31 December 2021, the balance sheet shows equity of KDKK 10.244 (2020: 10.736).

The Company is in the start-up phase and has carried out significant investments in the 2021. The result for 2021 is in line with expectations.

Targets and expectations for the year ahead

The Company has carried out significant investments in 2021 and will continue to do so in 2022.

Under the current market conditions, and considering the investments carried out by the Company, management believes that a positive development in the activities and operating earnings of the Company can be achieved over the coming years.

Management believes that the Company's capital resources are adequate.

Uncertainty relating to recognition and measurement

In order to minimize the uncertainty which is inherent in the assessment and valuation of development projects and deferred tax assets, standardized measurement methods are applied, which are optimized on a current basis.

The annual report is prepared based on management's best estimates and judgments at the time of the presentation of the annual report. Reference is made to note 1 in the annual report, where uncertainties relating to recognition and measurement are further described.

Management Review

Subsequent events

No material events, affecting the assessment of the Annual Report, have occurred after the balance sheet date.

Accounting policies

The Annual Report has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of requirements from medium-sized enterprises of reporting class C.

Accounting policies are unchanged from previous years.

The Financial Statements for 2021 are presented in KDKK.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable, as a result of a prior event, that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Accounting policies

Income statement (*continued*)

Revenue

Revenue from sale of services is recognized in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognized exclusive of VAT and net of discounts relating to sales.

Contracts of work in progress are included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method). This method is applied when total revenues, total expenses, and the stage of completion can be measured reliably at the balance sheet date, and it is probable that the economic benefits, including payments, will flow to the Company.

Cost of goods sold

Cost of goods sold includes costs incurred to achieve revenue for the year.

Other operating income and expenses

Other operating income and expenses includes income and expenses of a secondary nature relative to the Company's business.

Other external expenses

Other external expenses comprise expenses for premises, administration, sales and distribution as well as office expenses, etc.

Staff expenses

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

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year.

Accounting policies

Income statement (*continued*)

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

Deferred tax is recognized on all temporary differences between the carrying amount and the tax-based value of assets and liabilities. The tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax losses carried forward, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Where the Company is jointly taxed with other Danish group companies, the current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred. The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects.

Completed development projects and other intangible assets are amortized on a straight-line basis using the estimated useful lives of the assets. The amortization period is five years.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Balance sheet (*continued*)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when the asset is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Useful lifetime and scrap value are reassessed annually.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less provisions for bad debts.

Prepayments (assets)

Prepayments comprise incurred costs relating to subsequent financial years.

Dividend

Dividend is recognized as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Financial debts

Other debts are measured at amortized cost, substantially corresponding to nominal value.

Prepayments (liabilities)

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Income statement for 2021

	Notes	2021 (KDKK)	11/5- 31/12 2020 (KDKK)
Gross profit		7.949	3.479
Staff expenses	2	(15.361)	(6.272)
EBITDA		(7.412)	(2.793)
Depreciations and impairment losses		(30)	(3)
Profit/loss before financial items		(7.442)	(2.796)
Financial expenses		(686)	(400)
Profit/loss before tax		(8.128)	(3.196)
Tax on profit/loss for the year	3	2.648	1.292
Net profit/loss for the year		(5.480)	(1.904)
Proposed distribution of profit/loss			
Reserve for capitalized development		7.886	6.979
Retained earnings		(13.366)	(8.883)
		(5.480)	(1.904)

Balance sheet – December 2021

	Notes	2021 (KDKK)	2020 (KDKK)
Development Projects		19.058	8.948
Other intangible assets		14	14
Intangible assets		19.072	8.962
Property, plant and equipment		80	36
Tangible assets		80	36
Fixed assets		19.152	8.998
Trade receivables		89	25
Deferred tax asset		1.665	1.292
Other receivables		199	1.020
Prepayments	4	134	175
Receivables		2.087	2.512
Cash		5.213	15.877
Current assets		7.300	18.389
Assets		26.452	27.387

Balance sheet – December 2021

	Notes	2021 (KDKK)	2020 (KDKK)
Share capital	5	54	51
Retained earnings		(4.675)	3.706
Reserves for capitalized development		14.865	6.979
Equity		10.244	10.736
Other Payables		13.680	13.066
Long-term liabilities		13.680	13.066
Trade payables		671	1.756
Other payables		1.857	1.829
Short-term liabilities		2.528	3.585
Liabilities other than provisions		16.208	16.651
Equity, provisions and liabilities		26.452	27.387
Uncertainty about recognition and measurement	1		

Statement of changes in equity 2021

	Share Capital KDKK	Share pre- mium KDKK	Reserves for De- velop- ment KDKK	Retained earnings KDKK	Total KDKK
Equity on 11 May	51	0	6.979	3.706	10.736
Capital increase	3	4.997	0	0	5.000
Capital increase related cost	0	(12)	0	0	(12)
Transfer of share premium	0	(4.985)	0	4.985	0
Profit/loss for the year	0	0	7.886	(13.366)	(5.480)
Equity on 31 December	54	0	14.865	(4.675)	10.244

Notes

1 Uncertainty about recognition and measurement

Accounting uncertainties, estimates and assumptions

In the presentation of the annual report, the calculation of the carrying value of certain assets is associated with a number of judgments, estimates and assumptions about future events. These are often based on factors which, at the time of the presentation of the annual report, are considered sound and correct by management. By their very nature, these are subject to some uncertainty and unpredictability. Below some of the key estimation uncertainties and assumptions relating to the valuation of development projects and tax-assets are stated. The annual report is prepared based on management's best estimates and judgments at the time of the presentation of the annual report.

Development projects

In the annual report, development projects in progress, with a total value of KDKK 19.058, has been recognized. The assessed valuation of development projects at the balance sheet date involves a degree of estimation uncertainties.

Development projects relates to development of operating platforms mobile payments. The development projects are progressing in line with management's expectations.

The development projects form the basis for sales to the Company's customers.

Management regularly assesses the market opportunities for the development projects and regularly performs impairment assessments of the carrying amount of development projects.

Tax-assets

In the annual report a deferred tax asset, with a total value of KDKK 1.665, has been recognized. Tax assets are recognized to the extent it is deemed likely that they can be realized within the foreseeable future. The assessment is based on budgets and projections for the years 2022 to 2026, hence the recognized amount is based on an estimate of the probable future taxable profits for the period.

Notes

	2021	11/5-31/12
	(DKKK)	2020
	<u> </u>	<u> </u>
2 Staff expenses		
Salaries and wages	13.581	5.631
Pension costs	293	176
Other social security costs	164	66
Other staff expenses	1.323	399
	<u>15.361</u>	<u>6.272</u>
Average number of employees	<u>17</u>	<u>13</u>
3 Tax on profit/loss for the year		
Change in deferred tax (income)	2.556	1.292
Change in deferred tax, previous years (income)	92	0
	<u>2.648</u>	<u>1.292</u>

4 Prepayments (asset)

Prepayments comprise incurred costs relating to subsequent financial years.

5 Share capital

Share capital consists of 5,4m shares of a nominal value of DKK 0,01. The shares have not been divided into classes.

Changes in share capital:

	<u>(DKK)</u>
Incorporation 11 May 2020	40.000
Capital increase 2020	11.200
Capital increase 2021	2.560
	<u>53.760</u>

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Jacob Ajsen

Bestyrelsesmedlem

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IP: 77.241.xxx.xxx

2022-06-30 06:22:08 UTC



Ivan Sandqvist

Bestyrelsesformand

Serial number: PID:9208-2002-2-051150361357

IP: 93.164.xxx.xxx

2022-06-30 06:28:43 UTC

NEM ID

Craig Jacoby

Adm. direktør

Serial number: cj@softpay.io

IP: 213.83.xxx.xxx

2022-06-30 09:33:22 UTC

Jan Dal Lehrmann

Bestyrelsesmedlem

Serial number: PID:9208-2002-2-691062115960

IP: 152.115.xxx.xxx

2022-06-30 10:17:52 UTC

NEM ID

René Otto Poulsen

Statsautoriseret revisor

Serial number: CVR:33771231-RID:24479570

IP: 83.136.xxx.xxx

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Ivan Sandqvist

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