

Cardlay Payments Solutions A/S

Billedskærervej 17, 5230 Odense M

CVR no. 41 77 33 24

Annual report 2022

Approved at the Company's annual general meeting on 28 June 2023

Chair of the meeting:

.....
Torben Frigaard Rasmussen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Cardlay Payments Solutions A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with 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.

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

We recommend that the annual report be approved at the annual general meeting.

Odense, 28 June 2023
Executive Board:

.....
Jørgen Christian Juul

Board of Directors:

.....
Torben Frigaard Rasmussen
Chairman

.....
Johan Wolf

.....
Nicolai Fink Gundersen

.....
Jørgen Christian Juul

.....
Thorleif Krarup

Independent auditor's report

To the shareholder of Cardlay Payments Solutions A/S

Opinion

We have audited the financial statements of Cardlay Payments Solutions A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the 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:

- ▶ 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.

Independent auditor's report

- ▶ 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 note 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 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, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the 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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 28 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Louise Greve
State Authorised Public Accountant
mne48485

Management's review

Company details

Name	Cardlay Payments Solutions A/S
Address, Postal code, City	Billedskærervej 17, 5230 Odense M
CVR no.	41 77 33 24
Established	14 October 2020
Registered office	Odense
Financial year	1 January - 31 December
Board of Directors	Torben Frigaard Rasmussen, Chairman Johan Wolf Nicolai Fink Gundersen Jørgen Christian Juul Thorleif Krarup
Executive Board	Jørgen Christian Juul
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The object of the Company is to provide IT consultancy and, in the opinion of the Board, all related activities.

Financial review

The income statement for 2022 shows a loss of DKK 2,253,920 against a profit of DKK 99,000 last year, and the balance sheet at 31 December 2022 shows a negative equity of DKK 724,920.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022 12 months	2020/21 15 months
	Other external expenses	-292,122	-55,528
	Gross profit	-292,122	-55,528
	Amortisation/depreciation and impairment of intangible assets	-2,225,170	0
	Profit/loss before net financials	-2,517,292	-55,528
	Financial income	927	4,384
	Financial expenses	-54,649	-2,665
	Profit/loss before tax	-2,571,014	-53,809
4	Tax for the year	317,094	152,809
	Profit/loss for the year	-2,253,920	99,000
	Recommended appropriation of profit/loss		
	Other statutory reserves	-1,666,019	1,666,019
	Retained earnings/accumulated loss	-587,901	-1,567,019
		-2,253,920	99,000

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2020/21</u>
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Development projects in progress and prepayments for intangible assets	0	2,135,922
		<u>0</u>	<u>2,135,922</u>
	Total fixed assets	<u>0</u>	<u>2,135,922</u>
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	0	469,903
	Other receivables	151,293	0
		<u>151,293</u>	<u>469,903</u>
	Cash	<u>452,858</u>	<u>55,202</u>
	Total non-fixed assets	<u>604,151</u>	<u>525,105</u>
	TOTAL ASSETS	<u>604,151</u>	<u>2,661,027</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2020/21</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	400,000	400,000
	Reserve for development costs	0	1,666,019
	Retained earnings	-1,124,920	-537,019
	Total equity	<u>-724,920</u>	<u>1,529,000</u>
	Provisions		
	Deferred tax	0	317,094
	Total provisions	<u>0</u>	<u>317,094</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	798,974	814,933
	Payables to group enterprises	530,097	0
		<u>1,329,071</u>	<u>814,933</u>
	Total liabilities other than provisions	<u>1,329,071</u>	<u>814,933</u>
	TOTAL EQUITY AND LIABILITIES	<u>604,151</u>	<u>2,661,027</u>

- 1 Accounting policies
- 2 Capital loss
- 3 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 14 October 2020	0	0	0	0
Transfer through appropriation of profit	0	1,666,019	-1,567,019	99,000
Cash payments concerning formation of enterprise	400,000	0	0	400,000
Contribution from group	0	0	1,030,000	1,030,000
Equity at 1 January 2022	400,000	1,666,019	-537,019	1,529,000
Transfer through appropriation of loss	0	-1,666,019	-587,901	-2,253,920
Equity at 31 December 2022	400,000	0	-1,124,920	-724,920

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Cardlay Payments Solutions A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities.

Impairment

The item comprises impairment of intangible assets.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Development projects in progress and prepayments for intangible assets	10 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 10 years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Grants without consideration within a group

Grants to subsidiaries without consideration are recognised as a capital injection under "Investments in group entities". Grants received from subsidiaries are recognised as dividend received from the subsidiary.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Capital loss

The company has experienced a capital loss resulting in a negative equity position, but has received a statement of support from its sister company to help meet its financial obligations.

3 Staff costs

The Company has no employees.

DKK	2022 12 months	2020/21 15 months
4 Tax for the year		
Estimated tax charge for the year	0	-469,903
Deferred tax adjustments in the year	-317,094	317,094
	<u>-317,094</u>	<u>-152,809</u>

5 Intangible assets

DKK	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2022	2,135,922
Additions	89,248
Cost at 31 December 2022	<u>2,225,170</u>
Impairment losses for the year	<u>2,225,170</u>
Impairment losses and amortisation at 31 December 2022	<u>2,225,170</u>
Carrying amount at 31 December 2022	<u>0</u>

6 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its parent, Cardlay Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

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Jørgen Christian Juul

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Jørgen Christian Juul

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Thorleif Krarup

Bestyrelse

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Torben Frigaard Rasmussen

Dirigent

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Torben Frigaard Rasmussen

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Søren Smedegaard Hvid

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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Louise Greve

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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