

# ZTLment ApS

Linnésgade 20A, 2., 1361 København K

CVR no. 41 80 12 98

## Annual report

for the year 1 January - 31 December 2022

Approved at the Company's annual general meeting on 30 June 2023

Chair of the meeting:

.....  
Mads Stolberg-Larsen

## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## 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 ZTLment ApS 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.

Copenhagen, 30 June 2023  
Executive Board:

.....  
Mads Stolberg-Larsen

Board of Directors:

.....  
Frederik Vinten  
Chairman

.....  
Mads Stolberg-Larsen

.....  
Jason Spasovski

## Independent auditor's report

### To the shareholders of ZTLment ApS

#### Opinion

We have audited the financial statements of ZTLment ApS 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.

## Independent auditor's report

- ▶ 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 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.

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

Thomas Hjortkjær Petersen  
State Authorised Public Accountant  
mne33748

## Management's review

### Company details

Name	ZTLment ApS
Address, Postal code, City	Linnésgade 20A, 2., 1361 København K
CVR no.	41 80 12 98
Established	28 October 2020
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Frederik Vinten, Chairman Mads Stolberg-Larsen Jason Spasovski
Executive Board	Mads Stolberg-Larsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The company's purpose is to conduct business with trade and service within the area of financial services (fintech) and other related business.

### Financial review

The income statement for 2022 shows a loss of DKK 3,437,036 against a loss of DKK 820,152 last year, and the balance sheet at 31 December 2022 shows equity of DKK 5,671,994.

The management considers the result for the year to be satisfactory.

The company succeeded in securing its licence from the Danish Financial Supervisory Authority, making it Europe's first payments institution built on blockchain. Via the company's smart contract software businesses can fully automate payouts. When relevant business conditions of a contract or business workflow have been met funds are automatically released between buyers, sellers, lenders, marketplaces or any other entities engaged in the transaction. After securing the licence, the first money was routed through for customers.

Furthermore, the team was increased across business development, product development, tech development as well as legal and compliance.

Last but not least, the company also secured funding from expert fintech investors Giant Ventures, Upfin, Susanne Brønnum, Søren Fryland Møller, Cornelia Müller and Frederik Vinten. Last mentioned furthermore joined as chairman of the board.

### 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	<u>2022</u> 12 months	<u>2020/21</u> 14 months
	<b>Gross profit/ loss</b>	-1,106,607	-107,070
3	Staff costs	-2,320,342	-706,518
	Research and development costs	-1,554	-2,970
	<b>Profit/ loss before net financials</b>	-3,428,503	-816,558
	Financial expenses	-8,533	-3,594
	<b>Profit/ loss for the year</b>	<u>-3,437,036</u>	<u>-820,152</u>
	<b>Recommended appropriation of profit/ loss</b>		
	Retained earnings/accumulated loss	-3,437,036	-820,152
		<u>-3,437,036</u>	<u>-820,152</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2020/21
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
	<b>Investments</b>		
	Deposits, investments	59,028	15,500
		<u>59,028</u>	<u>15,500</u>
	<b>Total fixed assets</b>	<u>59,028</u>	<u>15,500</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from associates	5,000	0
	Other receivables	303,224	59,857
	Prepayments	208,053	0
		<u>516,277</u>	<u>59,857</u>
	<b>Cash</b>	<u>5,506,710</u>	<u>1,658,696</u>
	<b>Total non-fixed assets</b>	<u>6,022,987</u>	<u>1,718,553</u>
	<b>TOTAL ASSETS</b>	<u>6,082,015</u>	<u>1,734,053</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2020/21
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	140,300	100,000
	Retained earnings	5,531,694	-820,154
	<b>Total equity</b>	<u>5,671,994</u>	<u>-720,154</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
4	Derivative financial instruments	0	2,227,980
	Prepayments received from customers	96,697	0
	Trade payables	207,037	51,909
	Payables to shareholders and management	0	124,275
	Other payables	106,287	50,043
		<u>410,021</u>	<u>2,454,207</u>
	<b>Total liabilities other than provisions</b>	<u>410,021</u>	<u>2,454,207</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,082,015</u>	<u>1,734,053</u>

- 1 Accounting policies
- 2 Special items
- 5 Contractual obligations and contingencies, etc.
- 6 Contingent assets

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Equity at 1 January 2022</b>	100,000	-820,154	-720,154
Capital increase	40,300	9,788,884	9,829,184
Transfer through appropriation of loss	0	-3,437,036	-3,437,036
<b>Equity at 31 December 2022</b>	<u>140,300</u>	<u>5,531,694</u>	<u>5,671,994</u>

The company has issued 7,997 warrants to certain stakeholders of the company which amounts to 4,75% in ownership of the total shares. The warrants are not recognized.

The allocated warrants expire in the period 2030-2033.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of ZTLment ApS 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).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

##### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

##### Development costs

The item includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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.

##### Balance sheet

##### 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.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Prepayments received from customers

Prepayments received from customers include deferred revenue where payment has been received for later sales of goods and services but delivery has not yet taken place.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Special items

DKK	<b>2022</b> 12 months	<b>2020/21</b> 14 months
<b>Income</b>		
Innobooster	455,000	303,000
	<u>455,000</u>	<u>303,000</u>
<b>Special items are recognised in the below items of the financial statements</b>		
Gross profit/loss	455,000	303,000
<b>Net profit on special items</b>	<u>455,000</u>	<u>303,000</u>

The company has received grants from Innovation Fund Denmark to cover staff costs in 2022.

#### 3 Staff costs

Wages/salaries	2,030,959	658,296
Other social security costs	36,053	5,390
Other staff costs	253,330	42,832
	<u>2,320,342</u>	<u>706,518</u>
	<b>2022</b>	<b>2020/21</b>
Average number of full-time employees	<u>7</u>	<u>3</u>

#### 4 Derivative financial instruments

The company has closed its funding round and the warrant instruments has been converted to equity.

#### 5 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent liabilities:

DKK	<b>2022</b>	<b>2020/21</b>
Rent liabilities	<u>59,028</u>	<u>28,500</u>

Rent liabilities include a rent obligation which cover 3 months rent. The company has other than that a liability obligation for rent of a fixed place on Copenhagen FinTech lab for 2 mounts rent.

#### 6 Contingent assets

The company has tax loss carry-forwards totalling DKK 4.203.136. The nominal value thereof is 22% totalling DKK 924.690. Management has not recognised a deferred tax asset in the balance sheet due to the uncertainty as to application of the tax losses in the coming 3-5 years.

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Mads Stolberg-Larsen

### Client Signer

On behalf of: ZTLment ApS

Serial number: 5000da8c-ca5e-4c4d-a454-c64801d23864

IP: 80.71.xxx.xxx

2023-06-30 08:55:21 UTC



## Frederik Christian Gjessing Vinten

### Client Signer

On behalf of: ZTLment ApS

Serial number: 7e4e7281-7203-4b5d-ae0a-49bfc7043534

IP: 80.197.xxx.xxx

2023-06-30 09:59:00 UTC



## Jason Spasovski

### Client Signer

On behalf of: ZTLment ApS

Serial number: 1114192f-c5fa-4e9c-a648-5f1534b0e53d

IP: 87.61.xxx.xxx

2023-06-30 11:33:17 UTC



## Thomas Hjortkjær Petersen

### EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 88470239-a9a6-49b5-95ab-0d41bd03fd33

IP: 2.111.xxx.xxx

2023-06-30 13:45:30 UTC



Penneo document key: NXD45-K3K7L-EZEWY-4JK2A-EV0HM-FT6ZH

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>