
PostalPay Technologies ApS

Toldbodgade 55, DK-1253 København K

Annual Report for 2023

CVR No. 41 85 31 82

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 22/3 2024

John Korsø Jensen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of PostalPay Technologies ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22 March 2024

Executive Board

Thomas Jul Pfeiffer
CEO

Independent Auditor's report

To the shareholder of PostalPay Technologies ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PostalPay Technologies ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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.

Independent Auditor's report

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:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ringsted, 22 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Nikolaj Frausing Borch

State Authorised Public Accountant

mne44062

Company information

The Company PostalPay Technologies ApS
Toldbodgade 55
DK-1253 København K
CVR No: 41 85 31 82
Financial period: 1 January - 31 December
Incorporated: 12 November 2020
Financial year: 3rd financial year
Municipality of reg. office: Copenhagen

Executive Board Thomas Jul Pfeiffer

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
DK-4100 Ringsted

Management's review

Key activities

The object of the Company is to develop and maintain IT-systems and software.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 12,234,439, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 9,239,448.

Capital resources

The shareholder has issued a letter of support until 31 March 2025, ensuring PostalPay Technologies sufficient liquidity to continue operating.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross loss		-13,451,559	-9,081,392
Amortisation and impairment losses of intangible assets	1	-1,691,448	-1,691,448
Profit/loss before financial income and expenses		-15,143,007	-10,772,840
Financial income		1,310	0
Financial expenses	2	-520,340	-591,332
Profit/loss before tax		-15,662,037	-11,364,172
Tax on profit/loss for the year	3	3,427,598	2,590,990
Net profit/loss for the year		-12,234,439	-8,773,182
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-12,234,439	-8,773,182
		-12,234,439	-8,773,182

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		3,805,754	5,497,202
Intangible assets	4	<u>3,805,754</u>	<u>5,497,202</u>
Fixed assets		<u>3,805,754</u>	<u>5,497,202</u>
Receivables from group enterprises		2,309,744	0
Other receivables		1,317,036	724,552
Corporation tax		3,119,710	2,218,871
Receivables		<u>6,746,490</u>	<u>2,943,423</u>
Cash at bank and in hand		<u>75,199</u>	<u>386,131</u>
Current assets		<u>6,821,689</u>	<u>3,329,554</u>
Assets		<u>10,627,443</u>	<u>8,826,756</u>

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		40,000	40,000
Reserve for development costs		4,287,819	4,287,818
Retained earnings		-13,567,267	-12,332,829
Equity		-9,239,448	-8,005,011
Provision for deferred tax		837,266	1,209,384
Provisions		837,266	1,209,384
Trade payables		129,280	19,999
Payables to group enterprises		18,745,242	15,602,384
Corporation tax		155,103	0
Short-term debt		19,029,625	15,622,383
Debt		19,029,625	15,622,383
Liabilities and equity		10,627,443	8,826,756
Contingent assets, liabilities and other financial obligations	5		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	40,000	4,287,819	-12,332,828	-8,005,009
Contribution from group	0	0	11,000,000	11,000,000
Net profit/loss for the year	0	0	-12,234,439	-12,234,439
Equity at 31 December	40,000	4,287,819	-13,567,267	-9,239,448

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Amortisation and impairment losses of intangible assets		
Amortisation of intangible assets	1,691,448	1,691,448
	<u>1,691,448</u>	<u>1,691,448</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Financial expenses		
Interest paid to group enterprises	520,340	589,481
Other financial expenses	0	1,851
	<u>520,340</u>	<u>591,332</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Income tax expense		
Current tax for the year	-3,096,620	-2,218,871
Deferred tax for the year	-372,118	-372,119
Adjustment of tax concerning previous years	41,140	0
	<u>-3,427,598</u>	<u>-2,590,990</u>

Notes to the Financial Statements

4. Intangible fixed assets

	Completed development projects
	DKK
Cost at 1. January	8,457,236
Cost at 31. December	8,457,236
Impairment losses and depreciation at 1. January	2,960,034
Depreciation for the year	1,691,448
Impairment losses and depreciation at 31. December	4,651,482
Carrying amount at 31. December	3,805,754
Amortised over	5 years

The Company has in 2021 acquired the rights to the App "PostalPay" as well as any underlying software etc. The Group's strategy towards PostalPay has been reassessed during 2023 as it is not expected to be offered as a separate payment service going forward. Instead, the PostalPay framework and technology will be utilised to further develop the offerings under the Inpay brand. As such, it is expected that the software will be sold to the Group during 2024 at a price that will, at least, correspond to the booked value. Based on this, Management has not identified any impairment needs at 31 December 2023.

5. Contingent assets, liabilities and other financial obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Inpay TopCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the smallest group:

Name	Place of registered office
Inpay Holding A/S	Copenhagen

Notes to the Financial Statements

7. Accounting policies

The Annual Report of PostalPay Technologies ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.