



e-Boks Development A/S

Hans Bekkevolds Alle 7
2900 Hellerup
CVR No. 42309745

Annual report 2022

The Annual General Meeting adopted the
annual report on 14.04.2023

Carina Bansholt Oxfeldt
Chairman of the General Meeting

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Entity details

Entity

e-Boks Development A/S

Hans Bekkevolds Alle 7

2900 Hellerup

Business Registration No.: 42309745

Registered office: Gentofte

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Ulrik Thagesen, Chairman

Carina Bansholt Oxfeldt

Henrik Ostenfeld Larsen

Executive Board

Henrik Ostenfeld Larsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of e-Boks Development A/S for the financial year 01.01.2022 - 31.12.2022.

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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Hellerup, 14.04.2023

Executive Board

Henrik Ostenfeld Larsen

Board of Directors

Ulrik Thagesen
Chairman

Carina Bansholt Oxfeldt

Henrik Ostenfeld Larsen

Independent auditor's report

To the shareholders of e-Boks Development A/S

Opinion

We have audited the financial statements of e-Boks Development A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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.

Emphasis of matter

Referring to management commentary and note 3, the value of capitalized development costs and acquired intangible assets DKK 38,660 depends on the conclusion of new contracts for deliveries to new customers. At the time of the presentation of the financial statements, the outcome of the ongoing dialogues is uncertain and has not resulted in new final contracts. As a result, the valuation of the remaining assets is subject to a degree of uncertainty which, by its very nature, cannot be judged. Our opinion has not been modified with respect to this matter.

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 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:

- 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.

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.

Copenhagen, 14.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Sten Peters

State Authorised Public Accountant

Identification No (MNE) mne11675

Management commentary

Primary activities

e-Boks helps individuals, companies, and institutions to digitally interact, communicate and service themselves effectively and securely through our platforms. Companies and institutions are our partners and together we create better secure digitalization where the users are in control.

e-Boks Development A/S maintains and develop the e-Boks international it-platform.

The parent company e-boks Group A/S is the Group holding company and provide managerial, accounting and financial support to the affiliated group companies.

Development in activities and finances

In 2022, the realized result for e-Boks Development A/S were a loss of DKK 62.2 million and the equity totalled DKK 8.2 million.

The result for the year is impacted by write-down of completed development projects by DKK 39 million. Despite the platform is working well and as intended, a delay in the expected international expansion has led to impairment based on impairment test prepared.

During 2022 a new international sales strategy has been developed, commercial management has changed, and the sales organization has been strengthened.

Despite many interesting dialogues with potential clients and tenders' uncertainty in respect of international expansion is considered to exist as future cash flow mainly relates to expected new contract, hence not from existing contracts.

Accordingly, uncertainty exist in respect of the value of the completed development project.

Profit/loss for the year in relation to expected developments

The result for the year is lower than expected due to impairment loss mentioned above and in note 10.

Uncertainty relating to recognition and measurement

Despite the recognized impairment loss in 2022 there are still considered to be uncertainty to the value of the completed development projects as uncertainty in respect of the international expansion exist.

Outlook

The Company expects to reach an operating loss of app. DKK 25 millions in 2023.

e-boks Group A/S has committed to provide financial support to cover administrative and development cost in the course of business for e-Boks Development A/S.

On 2 March 2023 the equity has been increased by DKK 33,000 thousand through conversion of debt. The contributed capital increased by DKK 1,000 thousand and retained earnings by DKK 32,000 thousand.

The war in Ukraine does not impact e-Boks.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		8,168,717	8,903,482
Staff costs	4	(32,533,957)	(21,178,259)
Depreciation, amortisation and impairment losses	5	(59,388,540)	(10,478,464)
Operating profit/loss		(83,753,780)	(22,753,241)
Other financial income	6	51,670	810
Other financial expenses	7	(709,579)	(422,477)
Profit/loss before tax		(84,411,689)	(23,174,908)
Tax on profit/loss for the year	8	19,448,122	5,645,788
Profit/loss for the year		(64,963,567)	(17,529,120)
Proposed distribution of profit and loss			
Retained earnings		(64,963,567)	(17,529,120)
Proposed distribution of profit and loss		(64,963,567)	(17,529,120)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	10	18,287,018	7,957,012
Acquired intangible assets		20,372,628	76,756,063
Intangible assets	9	38,659,646	84,713,075
Fixed assets		38,659,646	84,713,075
Receivables from group enterprises		3,991,817	4,439,467
Other receivables		90,696	0
Joint taxation contribution receivable		4,386,420	24,282,665
Prepayments		517,149	656,147
Receivables		8,986,082	29,378,279
Cash		1,785,058	3,052,864
Current assets		10,771,140	32,431,143
Assets		49,430,786	117,144,218

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,000,000	1,000,000
Reserve for development expenditure		14,263,874	6,206,469
Retained earnings		(9,859,251)	63,161,721
Equity		5,404,623	70,368,190
Deferred tax		3,575,175	18,636,877
Provisions		3,575,175	18,636,877
Trade payables		2,993,378	2,112,943
Payables to group enterprises		34,974,053	22,383,275
Other payables	11	2,483,557	3,642,933
Current liabilities other than provisions		40,450,988	28,139,151
Liabilities other than provisions		40,450,988	28,139,151
Equity and liabilities		49,430,786	117,144,218

Going concern	1
Events after the balance sheet date	2
Uncertainty relating to recognition and measurement	3
Unrecognised rental and lease commitments	12
Contingent liabilities	13

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	6,206,469	63,161,721	70,368,190
Transfer to reserves	0	8,057,405	(8,057,405)	0
Profit/loss for the year	0	0	(64,963,567)	(64,963,567)
Equity end of year	1,000,000	14,263,874	(9,859,251)	5,404,623

On 2 March 2023 the equity has been increased by DKK 33,000 thousand through conversion of debt. The contributed capital increased by DKK 1,000 thousand and retained earnings by DKK 32,000 thousand.

Notes

1 Going concern

The parent company, e-Boks Group A/S, has issued a financial support statement so that e-Boks Development A/S can continue its operations until 31.12.2023.

2 Events after the balance sheet date

After the balance sheet date the parent company of e-Boks Development A/S has on 2 March 2023 converted debt of DKK 33,000 thousand to equity.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

3 Uncertainty relating to recognition and measurement

The preparation of e-Boks Development's Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are comprising valuation of development projects, which is described to the related notes.

The value of capitalized development costs depends on the conclusion of new contracts for deliveries to new customers. These customers can expect to provide revenue that can substantiate the value. At the time of the balance sheet, the ongoing dialogues have not resulted in new final contracts. As a result, the valuation of the remaining assets is TDKK 38,660 subject to a degree of uncertainty which, by its very nature, cannot be judged. The development cost valuation is based on the expectation of new customers and entering new markets and these have not been realized yet.

4 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	32,953,669	24,572,594
Pension costs	3,239,746	1,945,236
Other social security costs	329,093	147,953
	36,522,508	26,665,783
Staff costs classified as assets	(3,988,551)	(5,487,524)
	32,533,957	21,178,259
Average number of full-time employees	44	27

5 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	20,383,836	10,478,464
Impairment losses on intangible assets	39,004,704	0
	59,388,540	10,478,464

6 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	6,081	810
Other interest income	6,838	0
Exchange rate adjustments	38,751	0
	51,670	810

7 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	520,484	374,490
Other interest expenses	47,519	46,654
Exchange rate adjustments	136,729	0
Other financial expenses	4,847	1,333
	709,579	422,477

8 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Change in deferred tax	(15,061,702)	18,636,877
Refund in joint taxation arrangement	(4,386,420)	(24,282,665)
	(19,448,122)	(5,645,788)

9 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	8,297,883	86,893,656
Additions	13,335,111	0
Cost end of year	21,632,994	86,893,656
Amortisation and impairment losses beginning of year	(340,871)	(10,137,593)
Impairment losses for the year	0	(39,004,704)
Amortisation for the year	(3,005,105)	(17,378,731)
Amortisation and impairment losses end of year	(3,345,976)	(66,521,028)
Carrying amount end of year	18,287,018	20,372,628

10 Development projects

The addition for the year regarding development projects relates to continuous development of the international platform.

Despite the platform working well and as intended, a delay in the expected international expansion has led to impairment of DKK 39 million based on an impairment test prepared.

Despite the recognized impairment loss in 2022 there are still considered to be uncertainty to the value of the completed development projects as uncertainty in respect of the international expansion exist.

11 Other payables

	2022 DKK	2021 DKK
VAT and duties	170,134	2,520
Wages and salaries, personal income taxes, social security costs, etc. payable	847,028	2,117,328
Holiday pay obligation	1,466,395	1,523,085
	2,483,557	3,642,933

12 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	140,614	191,034

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where e-Boks Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Non-comparability

As last year was the company's first financial year, it's not possible to compare the financial figures with last year, according to 55(2) of the Danish Financial Statements Act.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability 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.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, 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 recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.