Inpay Holding A/S

Toldbodgade 55B, DK-1253 Copenhagen

Annual Report for 2024

CVR No. 43 65 59 65

The Annual Report was presented and adopted at the Annual General Meeting of the company on 20/6 2025

John Korsø Jensen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Inpay Holding A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

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

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

Copenhagen, 20 June 2025

Executive Board

Steen Trondhjem Nielsen
Manager

Board of Directors

Jan Ovesen Chairman	John Korsø Jensen	Anders Kunze Bønding

Independent Auditor's report

To the shareholders of Inpay Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Inpay Holding A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Hellerup, 20 June 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Wraae Holm	Benny Voss
State Authorised Public Accountant	State Authorised Public Accountant
mne30141	mne15009

Company information

The Company	Inpay Holding A/S Toldbodgade 55B DK-1253 Copenhagen CVR No: 43 65 59 65 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Jan Ovesen, chairman John Korsø Jensen Anders Kunze Bønding
Executive Board	Steen Trondhjem Nielsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	435,670	447,107	361,761	287,815	193,410
Gross profit	233,557	247,319	196,897	164,575	104,444
Earnings Before Interest Taxes Depreciation and Amortization	61,609	96,762	61,484	22,972	41,703
Profit/loss of primary operations	45,110	90,231	55,897	5,930	37,141
Profit/loss of financial income and expenses	-7,636	925	-3,460	5,176	-2,098
Net profit/loss for the year	24,234	63,414	42,362	10,180	29,351
Balance sheet					
Balance sheet total	730,699	689,829	565,999	525,257	439,880
Investment in property, plant and equipment	11	528	1,587	1,111	785
Equity	63,652	89,281	55,876	12,446	98,857
Cash flows					
Cash flows from:					
- operating activities	58,579	162,738	82,447	90,187	168,814
- investing activities	-12,973	-33,912	-1,598	-2,921	-15,676
- financing activities	-10,895	-63,413	-54,629	-29,997	-17,851
Change in cash and cash equivalents for the year	34,711	65,413	26,220	57,269	136,846
Number of employees	165	151	117	102	61
Ratios					
Gross margin	53.6%	55.3%	54.4%	57.2%	54.0%
Profit margin	10.4%	20.2%	15.5%	2.1%	19.2%
Return on assets	6.2%	13.1%	9.9%	1.1%	8.4%
Solvency ratio	8.7%	12.9%	9.9%	2.4%	22.5%
Return on equity	31.7%	87.4%	124.0%	18.3%	59.4%

Management's review

Key activities

The Group's objective is to provide payment services through electronic money transfers, operating as a financial institution under the subsidiary company's license from the Danish Financial Supervisory Authority as a Payment Institution.

Development in the year

The income statement of the Group for 2024 shows a profit of TDKK 24,234, and at 31 December 2024 the balance sheet of the Group shows a positive equity of TDKK 63,652.

In May 2024, the Board of Directors decided to replace part of the management team to better position Inpay towards achieving its long-term goals and enhance operational efficiency. Subsequently, a number of employees and contractors were laid off as part of a strategic review aimed at renewing the focus on innovation, sustainability, and continued profitable growth. Accordingly, it was decided to phase out all activities relating to the Eurogiro postal remittance business due to the risk and complexity of operating in this channel. Additional costs were incurred as part of the leadership transition and restructuring process.

Inpay's renewed strategy, "The Shift," is centred on delivering fast and simple cross-border payments to customers in the iGaming, Corporate, and NGO sectors, with the goal of enabling "any currency through one connection." The formulation and execution of this strategy have been reinforced by the implementation of the Entrepreneurial Operating System (EOS), which unites the business around a shared vision, ensuring that plans, priorities, and efforts are fully aligned.

As part of the strategic reorganisation, a more hands-on Leadership team was promoted internally, and a Board member assumed the role of CEO to guide Inpay through a period of transition. To reinforce Inpay's product-lead approach, the role of Chief Product Officer has been reintroduced, ensuring innovation remains a key driver of progress. Additionally, the commercial organisation has been restructured to enhance support for the entire customer journey, from first contact through to becoming another satisfied customer. The net retention rate has been at around 100% in 2024, reflecting strong customer loyalty.

In the fourth quarter, these strategic and organisational changes enabled Inpay to fast-track the launch of a partner solution which allows customers to fund in a range of digital currencies. This initiative, aligns with the company's aims of becoming currency-agnostic, further expanding flexibility and accessibility.

The past year and follow-up on development expectations from last year

The planned scaling of the business did not generate the acceleration in revenues envisaged, resulting in a decline in profitability in the first half of 2024. This outcome fell short of expectations and did not align with the full-year outlook presented in the 2023 Annual Report, prompting the organisational changes and strategic realignment to better position Inpay for sustainable growth.

Full-year net revenues were 3% lower than the previous year. Growth was impacted by a lack of traction in winning new business and launching new products, combined with market headwinds affecting pricing and activity on the community payment platform. It also included a decline in the postal channel being phased out in the second half of the year. Despite these factors, revenues in the core Cross-Border Payments segment grew by 5% year-on-year, demonstrating resilience in the company's primary business area.

Direct expenses increased by 24% to TDKK 61,676, driven by a combination of currency corridor mix, repricing agreements aimed at driving higher transaction volumes, and ongoing efforts to enhance the quality of the provider network. This reflects strategic investments and Inpay's commitment to optimizing its payment infrastructure and further expanding its global reach.

Other external expenses of TDKK 140,437 were 7% lower than last year, following the strategic reorganisation and workforce reduction which led to cost savings across all operational and administrative expense lines. Excluding the related special-item costs, other external expenses decreased by 17%. A significant reduction in the use of external consultants further contributed to the underlying decrease in expenditures.

Management's review

Staff expenses increased by 14% to TDKK 171,948, primarily due to the costs associated with the strategic reorganization. Excluding these special items, staff expenses decreased by 7%. The restructuring led to a 20% reduction in headcount since the beginning of the 2024. Despite this, the average headcount in the year remained 9% higher compared to 2023.

Furthermore, staff expenses reflect an adjustment of TDKK 12,841 for the capitalisation of development costs associated with the tech upgrade of Inpay's core platform. The full migration is set for completion in the first quarter of 2025.

Full-year EBITDA decreased by 36% to TDKK 61,609, with the EBITDA margin declining by 8-percentage points to 14%. However, when adjusted for the special-item costs associated with the strategic reorganization, EBITDA would have been TDKK 109,657, with a 4-percentage point improvement in margin to 25% compared to the previous year. The impact of operational efficiency improvements helped offset the reduction in gross margin, highlighting the effectiveness of the company's restructuring efforts.

Special risks - operating risks and financial risks

As a payment service provider, Inpay is inherently exposed to several risks common to the financial services industry, including fraud, AML/CTF compliance risks, and risks related to operational stability and IT security. Additionally, as Inpay facilitates cross-border payments, it is naturally subject to counterparty and foreign exchange (FX) risks within its business model.

To mitigate these risks on KYC/AML, a comprehensive framework of controls and procedures has been implemented. In 2024, for the third consecutive year, an external Governance Audit reported zero instances of non-compliance, underscoring the effectiveness of Inpay's risk management approach.

Governance, Risk, and Compliance (GRC) remain a cornerstone of Inpay's success and value proposition. Recognizing the need for continuous improvement, Inpay is committed to further strengthening its best-in-class compliance capabilities to uphold industry-leading standards in regulatory adherence and operational security.

Targets and expectations for the year ahead

Revenues for 2025 are projected to be between TDKK 440,000 to TDKK 480,000, with profit margins expected to return to 2023 levels. Profit before tax is expected to be in the range between TDKK 90,000 to TDKK 100,000. The outlook reflects a combination of incremental growth and strategic transformation, aligning with Inpay's long-term vision.

Revenue growth will be driven by new strategic product initiatives that augment and complement existing business. Among these is an eWallet pay-in solution, a closed-loop offering designed to meet growing industry demand for more frictionless and cost-effective payment solutions from a single provider.

Significant improvements in operating efficiency are expected to continue in 2025, enabling the group to accommodate a lower blended gross margin due to repricing and diversification strategies aimed at increasing transaction volumes.

This outlook is based on a strengthened organisation and leadership, ongoing investments in technology and talent, and the opportunities prevalent within Inpay's addressable markets. The revised strategy and operating system have been implemented to fully leverage these opportunities.

As an international business with a global network of partners and customers, Inpay remains exposed to varying market conditions. While the global macroeconomic situation and rising geopolitical tensions create increased uncertainty, Inpay was not significantly impacted in 2024 and does not anticipate material effects in 2025.

Research and development

Inpay remains committed to ongoing investments in its core platform technology and product portfolio. Plans for 2025 include further enhancements to Inpay's payment capabilities and the expansion of its increasingly currency-agnostic network. A renewed focus on product innovation will drive the development of new Pay-in solutions, Virtual IBAN (VIBAN) services, and an eWallet for digital currencies, reinforcing Inpay's position as a leader in seamless and efficient cross-border transactions.

External environment

As a highly digitalized organization, Inpay has a limited direct environmental impact in terms of sustainability. However, as a member of the global financial community, it upholds a fiduciary duty to combat financial crime. Recognizing the destructive and far-reaching effects of financial crime on the global economy, Inpay has made safeguarding the financial system a key priority.
Accordingly, Inpay continues to implement rigorous and proactive measures to prevent the misuse of its products and services for money laundering, fraud, or other financial crimes, including the financing of terrorism. By taking all reasonable and appropriate precautions, Inpay remains committed to upholding the integrity of the global financial system.

Intellectual capital resources

The continued success of Inpay as a fintech organization is highly dependent on its internal intellectual resources. These resources are driven by a team of highly skilled professionals, particularly in IT development, compliance, and regulatory affairs. Additionally, Inpay's proprietary, in-house-built operating systems serve as a core component of its product offering, reinforcing its ability to deliver innovative and efficient financial solutions.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

This statutory statement on Corporate Social Responsibility (CSR), prepared in accordance with sections 99a and 99d of the Danish Financial Statements Act, covers the financial period from January 1 to December 31, 2024.

Inpay's business model facilitates cross-border transactions, with a core value that enhances the speed, cost-efficiency, and reliability of global payments. Through the Inpay platform, merchants gain access and visibility, enabling them to transfer funds to entities and individuals worldwide. The company has established a global network of payment corridors, with each corridor representing a specific country in combination with a transaction and currency type, such as SWIFT or SEPA.

Recognizing its environmental, social, and governance (ESG) impact, Inpay actively contributes to the digital transformation of the countries in which it operates. ESG-related outcomes are driven by the increasing adoption of digital payments, the provision of services related to digital identities, and the digitalization of paper-based processes. By supporting the safe and efficient functioning of modern digital payment systems, Inpay creates value for both individuals and businesses while fostering broader financial inclusion and economic development.

Management's review

Social and Environmental
Inpay's social impact is addressed in its core policy frameworks, particularly within the 'Sound Corporate Culture' policy which covers the core values: Customers First, Raise the Bar, Accountability, Fearless Innovation, Together We Can, and Action! These values are embedded in everything the business does toward realising its vision, positively contributing to everyday interactions in operational processes and guiding every touchpoint with customers and partners. This mitigates the risk a negative work environment can have on its local communities through acknowledging the company’s social impact and the vital role it plays.

Inpay is committed to enhancing employee satisfaction and development and conducts quarterly eNPS assessments to gauge sentiment. Additionally, employee development interviews are held biannually to maintain an ongoing dialogue about development and job satisfaction. This practice was carried out in 2024 and is expected to continue in the coming years. Inpay invests in training and skill development initiatives to strengthen its brand reputation, attract highly skilled talent, and enhance employee retention. By providing continuous learning opportunities, the company positions itself as an employer of choice for professionals seeking career growth. This approach not only boosts employee satisfaction and loyalty but also reduces recruitment and turnover costs, supporting long-term operational stability and business growth.

Inpay takes pride in its work with NGOs, such as the Danish Red Cross. The payment needs of NGOs have historically been underserved, as their operations face numerous challenges due to regulatory complexity. By addressing these needs and facilitating the delivery of funds to those in need, Inpay adds significant value. The solutions developed in this area can also be applied to enhance services for other customers. Beyond being a growth area for the business, serving NGOs remains a fundamental part of Inpay’s purpose. Its business model enhances financial accessibility for underserved or marginalized regions, promoting financial inclusion in historically excluded geographies and sectors.

As a fintech company, Inpay recognizes that its overall environmental footprint is limited. However, its value chain involves high energy consumption due to digital services such as financial transactions and digital currencies. Energy is required to support the entire network, including digital infrastructure built through data centres, cloud computing services, and high-speed transaction processing. This significant energy usage contributes to greenhouse gas (GHG) emissions and a negative environmental impact.

While acknowledging this impact, Inpay does not currently maintain a dedicated environmental and climate policy, as its business operations have a limited direct environmental footprint. We evaluate the need for establishing an environmental policy on an annual basis and closely monitor the evolving requirements of the European Union. In this context, the company is conducting a comprehensive Double Materiality Assessment (DMA) to better understand its environmental impact and identify meaningful sustainability initiatives. The goal is to implement targeted measures that enhance environmental responsibility while aligning with Inpay’s broader corporate strategy.

Human Rights
Inpay is committed to upholding human rights and fostering an inclusive, discrimination-free workplace. Discrimination—whether based on gender, ethnicity, religion, disability, age, sexual orientation, or any other characteristic—undermines diversity, innovation, and employee well-being. A lack of inclusivity not only poses legal and reputational risks but also negatively impacts employee morale, retention, and productivity.

Inpay fosters a culture of inclusion and respect by celebrating diversity-focused events such as International Women's Day, Pride Month, and Cultural Awareness Days. Additionally, the company promotes cross-cultural collaboration through global team-building initiatives, reinforcing its commitment to an inclusive workplace. Inpay values diversity as a key driver of the company's growth and success. The company is committed to supporting human rights, a principle clearly outlined in its employee handbook. This document, which defines Inpay's human rights policy, is mandatory reading for all employees upon joining the organization. Additionally, employment contracts explicitly reference the handbook, ensuring new hires are directed to review and adhere to its guidelines. Going forward, Inpay will continue to enhance its due diligence processes to better identify risks and strengthen measures that promote fair working conditions and social standards. Additionally, Inpay closely monitors regulatory developments to ensure that its business practices align with national and international requirements.

In 2024, as in previous years, Inpay reported no human rights violations. Furthermore, no allegations or complaints regarding human rights issues were received.

Anti-Corruption and Money Laundering
As a member of the global financial community, Inpay is exposed to risks of misuse for money laundering, corruption, bribery, and related crimes. Operating within the digital financial transactions industry further increases the potential for illicit activities, such as money laundering. Any association with such activities could result in severe financial and reputational damage, particularly if the issue attracts media attention. This may lead to regulatory penalties, loss of trust from customers and partners, and long-term harm to the company's brand. As a provider of digital financial services, Inpay also faces the risk of direct or indirect involvement in corrupt activities, whether through internal misconduct, supplier relationships, or third-party interactions.

Inpay is strongly committed to mitigating these risks and has implemented numerous strategies to ensure compliance. Its Anti-Money Laundering (AML) efforts include comprehensive training programs, oversight mechanisms, a dedicated Risk Committee, and Whistleblower Protection programs.
In 2024, an external AML/Counter-Terrorist Financing (CTF) audit found zero instances of non-compliance for the third consecutive year. Additionally, the audit confirmed that Inpay maintains a well-functioning AML/CTF system and processes.
All employees receive AML training upon joining the company and must pass a mandatory test. These processes have been in place since 2022, with training and assessments reviewed annually to ensure ongoing effectiveness. Inpay also provides specialized sessions for high-risk roles and develops training programs aimed at identifying a broader range of illicit activities.

Inpay has established a confidential whistleblower program to encourage employees to report suspected misconduct without fear of retaliation. Enhancing awareness of money laundering risks within the industry and implementing effective identification measures serve to strengthen crime prevention efforts, ultimately safeguarding Inpay’s reputation and reinforcing customer trust.

Inpay maintains a zero-tolerance policy toward bribery and corruption, irrespective of the identity or position of the originator or recipient. The company upholds strict AML and compliance policies, including a comprehensive AML framework and a firm stance against corruption and bribery, reinforced through clear internal guidelines. Regular risk assessments are conducted to identify vulnerabilities in payment processing, partnerships, and internal operations. Enhanced Customer Due Diligence (CDD) and Know Your Customer (KYC) procedures are implemented, requiring identity verification and background checks for all customers and partners. A risk-based approach to KYC is applied, incorporating enhanced due diligence (EDD) for high-risk customers and transactions.

Inpay requires employees to uphold the highest standards of ethical behaviour and integrity, maintaining a firm commitment to preventing, deterring, and detecting bribery and corruption. These offenses are recognized as both criminal acts and direct violations of Inpay’s core values. Any behaviour or activities that contradict these values, as well as all applicable laws and regulations, undermine the company’s commitment to its stakeholders. Inpay enforces a zero-tolerance approach to bribery and corruption, extending this policy to third parties with whom the company conducts business or who are retained to provide services on its behalf. The company's commitment to ethical business practices is documented in its Anti-Bribery and Corruption Statement and Code of Conduct. Inpay does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor will it accept bribes or any form of improper inducement. These same strict expectations apply to third parties and clients, ensuring compliance and integrity across all business relationships. In the coming years, Inpay will focus on expanding its internal training programs and improving control mechanisms to detect and prevent compliance violations. Furthermore, Inpay will review whether its existing policies and reporting processes need to be adjusted to meet new legal requirements and international standards.

Statement on data ethics, cf. section 99d of the Financial Statements Act

As a company licensed and operating within the EU, Inpay is subject to the General Data Protection Regulation (GDPR) and is committed to ensuring full compliance with its requirements. To support this, the Board of Directors has approved detailed policies aligned with GDPR regulations. Although Inpay holds only limited personal information, all data is handled with the utmost respect for individual rights and privacy. The company ensures that any collection of data related to Ultimate Beneficial Owners, the management of Inpay customers, or transaction-related payer and payee information is conducted with proper legal authorization. Access to this data is strictly restricted to staff with a relevant business need. Furthermore, all new products, processes, and systems are thoroughly assessed for their potential impact on personal data collection and usage, reinforcing Inpay’s commitment to data protection and regulatory compliance.

Inpay, along with its customers who process confidential customer information, faces the risk of inadequate data security. A data breach could have significant consequences, impacting both customers who utilize Inpay's services and end-users who rely on them. Such incidents could lead to privacy violations and a loss of trust in the company's services. To mitigate these risks, Inpay has developed and implemented comprehensive data protection policies that define strict guidelines for data handling, storage, and security measures. Additionally, all employees are required to complete mandatory GDPR and data security training, with regular refresher courses to ensure ongoing awareness and compliance with regulatory and security standards.

Inpay applies the principle of least privilege access, ensuring that employees can only access the data necessary for their specific roles. Transparency is fundamental to maintaining customer trust, and the company clearly communicates its data privacy policies to customers while providing accessible data control options to empower them in managing their personal information.

Management's review

Double Materiality Assessment & Corporate Sustainability Reporting Directive

To strengthen its commitment to sustainability, Inpay has conducted a comprehensive Double Materiality Assessment, enabling the analysis of key impacts, risks, and opportunities from both financial and impact perspectives. This assessment serves as a foundation for actively fulfilling social responsibility, ensuring that critical challenges affecting stakeholders and business operations across the value chain are effectively addressed. As the company prepares for the Corporate Sustainability Reporting Directive (CSRD), which will establish a new benchmark for ESG reporting in the EU, proactive measures are being taken to enhance data collection, governance structures, and reporting frameworks in alignment with the European Sustainability Reporting Standards (ESRS). These improvements will not only ensure compliance but also provide deeper insights, strengthen the ability to measure progress, and drive meaningful, long-term impact within the financial ecosystem.

Following the recent Omnibus proposal from the EU, Inpay is currently evaluating whether or not reporting under CSRD will be done for 2025, or if it will postpone this reporting along with the updated guidelines and implementation schedule.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024 have not been affected by any unusual events, except as described in the Managements review.

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	Group 2024	Group 2023	Parent company 2024	Parent company 2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	435,670	447,107	0	0
Other operating income		0	514	0	0
Direct expenses		-61,676	-49,912	-4	0
Other external expenses	2	-140,437	-150,390	-749	-777
Gross profit		**233,557**	**247,319**	**-753**	**-777**
Staff expenses	2,3	-171,948	-150,557	-51	-41
Earnings Before Interest Taxes Depreciation and Amortization		**61,609**	**96,762**	**-804**	**-818**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2,4	-16,499	-6,531	0	0
Profit/loss before financial income and expenses		**45,110**	**90,231**	**-804**	**-818**
Income from investments in subsidiaries	5	0	0	8,240	-36,528
Financial income	6	6,121	7,234	103	0
Financial expenses	7	-13,757	-6,309	-5,313	-2,492
Profit/loss before tax		**37,474**	**91,156**	**2,226**	**-39,838**
Tax on profit/loss for the year	8	-13,240	-27,742	1,323	728
Net profit/loss for the year	9	**24,234**	**63,414**	**3,549**	**-39,110**

Balance sheet 31 December

Assets

	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		43,010	59,584	0	0
Development projects in progress		12,841	0	0	0
Intangible assets	10	**55,851**	**59,584**	**0**	**0**
Other fixtures and fittings, tools and equipment		379	529	0	0
Leasehold improvements		1,218	1,812	0	0
Property, plant and equipment	11	**1,597**	**2,341**	**0**	**0**
Investments in subsidiaries	12	0	0	959,500	973,788
Fixed asset investments		**0**	**0**	**959,500**	**973,788**
Fixed assets		**57,448**	**61,925**	**959,500**	**973,788**
Trade receivables		0	428	0	0
Receivables from group enterprises		128,569	120,266	1,609	4
Other receivables		10,173	6,917	0	36
Corporation tax		0	0	1,323	728
Prepayments	13	5,913	6,408	0	0
Receivables		**144,655**	**134,019**	**2,932**	**768**
Cash at bank and in hand	14	**528,596**	**493,885**	**38**	**0**
Current assets		**673,251**	**627,904**	**2,970**	**768**
Assets		**730,699**	**689,829**	**962,470**	**974,556**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2024	Group 2023	Parent company 2024	Parent company 2023
		TDKK	TDKK	TDKK	TDKK
Share capital		1,000	1,000	1,000	1,000
Reserve for development costs		10,016	3,086	0	0
Reserve for exchange rate conversion		47	-90	0	0
Retained earnings		22,589	55,285	792,279	838,730
Proposed dividend for the year		30,000	30,000	30,000	30,000
Equity		**63,652**	**89,281**	**823,279**	**869,730**
Provision for deferred tax	15	1,418	1,190	0	0
Provisions relating to investments in group enterprises		0	0	51,000	23,528
Other provisions	16	8,864	0	0	0
Provisions		**10,282**	**1,190**	**51,000**	**23,528**
Credit institutions		31,637	0	0	0
Prepayments received from customers		462,415	430,144	0	0
Trade payables		10,948	14,699	128	106
Payables to group enterprises		94,128	78,357	88,051	81,156
Corporation tax		17,330	22,538	0	0
Other payables		40,307	53,620	12	36
Short-term debt		**656,765**	**599,358**	**88,191**	**81,298**
Debt		**656,765**	**599,358**	**88,191**	**81,298**
Liabilities and equity		**730,699**	**689,829**	**962,470**	**974,556**

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Statement of changes in equity

Group

	Share capital	Reserve for developmen t costs	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	3,086	-90	55,285	30,000	89,281
Ordinary dividend paid	0	0	0	0	-30,000	-30,000
Extraordinary dividend paid	0	0	0	-20,000	0	-20,000
Exchange adjustments relating to foreign entities	0	0	137	0	0	137
Development costs for the year	0	6,930	0	-6,930	0	0
Net profit/loss for the year	0	0	0	-5,766	30,000	24,234
Equity at 31 December	**1,000**	**10,016**	**47**	**22,589**	**30,000**	**63,652**

Parent company

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	838,730	30,000	869,730
Ordinary dividend paid	0	0	-30,000	-30,000
Extraordinary dividend paid	0	-20,000	0	-20,000
Net profit/loss for the year	0	-26,451	30,000	3,549
Equity at 31 December	**1,000**	**792,279**	**30,000**	**823,279**

Cash flow statement 1 January - 31 December

	Note	Group 2024	Group 2023
		TDKK	TDKK
Result of the year		24,234	63,414
Adjustments	17	37,512	33,348
Change in working capital	18	22,689	79,202
Cash flow from operations before financial items		**84,435**	**175,964**
Financial income		6,121	7,234
Financial expenses		-13,757	-4,627
Cash flows from ordinary activities		**76,799**	**178,571**
Corporation tax paid		-18,220	-15,833
Cash flows from operating activities		**58,579**	**162,738**
Purchase of intangible assets		-12,963	0
Purchase of property, plant and equipment		-10	-528
Acquisition of subsidiaries		0	-33,384
Cash flows from investing activities		**-12,973**	**-33,912**
Repayment of payables to group enterprises		0	-33,413
Raising of loans from credit institutions		31,637	0
Raising of payables to group enterprises		7,468	0
Dividend paid		-50,000	-30,000
Cash flows from financing activities		**-10,895**	**-63,413**
Change in cash and cash equivalents		**34,711**	**65,413**
Cash and cash equivalents at 1 January		493,885	428,472
Cash and cash equivalents at 31 December		**528,596**	**493,885**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		528,596	493,885
Cash and cash equivalents at 31 December		**528,596**	**493,885**

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Business segments				
Cross-border payments	415,389	395,342	0	0
Other	20,281	51,765	0	0
	435,670	**447,107**	**0**	**0**

The revenue split is only provided based on business segments. The group does not monitor or report on geographical segments for revenue, as it is of less importance to the business.

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Costs related to layoffs as part of Strategic reorganization	31,908	0	0	0
One-off consultancy cost re. Strategic reorganization	8,077	0	0	0
One-off legal costs re. Strategic reorganization	8,063	0	0	0
Impairment of fixed assets	2,114	0	14,288	43,000
	50,162	**0**	**14,288**	**43,000**

Costs related to layoffs are recognized as staff expenses, whereas consultancy and legal costs are recognized as other external expenses.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Staff expenses				
Wages and salaries	156,976	132,135	51	41
Pensions	6,519	5,152	0	0
Other social security expenses	3,876	3,706	0	0
Other staff expenses	4,577	9,564	0	0
	171,948	**150,557**	**51**	**41**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	3,832		0	
Board of directors	305		51	
	4,137		**51**	
Including remuneration to the Executive Board and Board of Directors		**4,227**		**41**
Average number of employees	**165**	**151**	**1**	**1**

As the Executive Board has only consisted of 1 person for the entirety of the financial year 2023, the remuneration to the Executive Board and Board of Directors is presented summarised for 2023. In 2024 there have been multiple members of the Executive Board at various times during the year, and therefore remuneration for the Executive Board and Board of Directors are presented individually for 2024.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	13,630	5,719	0	0
Depreciation of property, plant and equipment	755	812	0	0
Impairment of intangible assets	2,114	0	0	0
	16,499	**6,531**	**0**	**0**

	Parent company	
	2024	2023
	TDKK	TDKK
5. Income from investments in subsidiaries		
Impairment of investments in subsidiaries	-14,288	-43,000
Provision for negative equity	-27,472	-23,528
Dividend	50,000	30,000
	8,240	**-36,528**

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
6. Financial income				
Interest from group enterprises	6,005	5,157	99	0
Other financial income	99	289	2	0
Exchange adjustments	17	1,788	2	0
	6,121	**7,234**	**103**	**0**

Notes to the Financial Statements

7. Financial expenses

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Interest to group enterprises	7,289	4,538	5,308	2,466
Other financial expenses	4,189	1,729	4	0
Exchange adjustments, expenses	2,279	42	1	0
Exchange loss	0	0	0	26
	13,757	**6,309**	**5,313**	**2,492**

8. Income tax expense

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	12,875	25,036	-1,323	-728
Deferred tax for the year	229	-360	0	0
Adjustment of tax concerning previous years	136	3,066	0	0
	13,240	**27,742**	**-1,323**	**-728**

9. Profit allocation

	Parent company	
	2024	2023
	TDKK	TDKK
Extraordinary dividend paid	20,000	30,000
Proposed dividend for the year	30,000	30,000
Retained earnings	-46,451	-99,110
	3,549	**-39,110**

10. Intangible fixed assets
Group

	Completed development projects	Develop-ment projects in progress
	TDKK	TDKK
Cost at 1 January	102,395	0
Additions for the year	0	12,841
Disposals for the year	-824	-2,118
Cost at 31 December	101,571	10,723
Impairment losses and amortisation at 1 January	42,817	0
Impairment losses for the year	2,114	0
Amortisation for the year	13,630	0
Reversal of impairment and amortisation of sold assets	0	-2,118
Impairment losses and amortisation at 31 December	58,561	-2,118
Carrying amount at 31 December	**43,010**	**12,841**

Intangible assets primarily consists of the SaaS peer-to-peer platform based on real time bank-account to bankaccount transfers between individuals.

Development Projects in progress relates to a new version of the Group's proprietary software related to facilitating payments transfers etc. Development is expected to be finalized in the first half of 2025 and the software will be utilized by Group entities.

Impairment losses for the year is related to the Postalpay App which is no longer part of the future strategy of the Group, and has therefore been written off.

Notes to the Financial Statements

11. Property, plant and equipment
Group

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK
Cost at 1 January	2,451	3,434
Additions for the year	11	0
Cost at 31 December	2,462	3,434
Impairment losses and depreciation at 1 January	1,922	1,622
Depreciation for the year	161	594
Impairment losses and depreciation at 31 December	2,083	2,216
Carrying amount at 31 December	**379**	**1,218**

Notes to the Financial Statements

	Parent company 2024	Parent company 2023
	TDKK	TDKK

12. Investments in subsidiaries

	2024 TDKK	2023 TDKK
Cost at 1 January	1,016,788	940,500
Additions for the year	0	76,288
Cost at 31 December	1,016,788	1,016,788
Value adjustments at 1 January	-43,000	0
Impairment losses for the year	-14,288	-43,000
Value adjustments at 31 December	-57,288	-43,000
Carrying amount at 31 December	**959,500**	**973,788**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Inpay A/S	Copenhagen	14,500	100%	175,011	63,056
Inpay Services ApS	Copenhagen	4,000	100%	44,703	9,615
Eurogiro ApS	Copenhagen	2,508	100%	-47,211	-25,198
Clouditorium ApS	Copenhagen	40	100%	-3,789	-2,274
Postalpay Technologies ApS	Copenhagen	40	100%	-19,363	-10,124
Inpay Services UK Ltd	London	1 GBP	100%	2,995	56
Robot Go Pte. Ltd.	Singapore	1 EUR	100%	24,000	-6,660
				176,346	**28,471**

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest

14. Cash at bank and in hand

The Company's total cash at bank and in hand amounts to DKK 528,596k (2023: DKK 493,885k). DKK 8,301k (2023: DKK 11,218) of this amount are the Company's own bank deposits, and the remaining DKK 520,295k (2023: DKK 482,667k) relates to separate customer accounts with external banks and balances with third parties.

Customer accounts are seperated from the Company's funds by placement in escrow accounts with credit institutions. Customer accounts are used to cover prepayments from customers, DKK 462,415k at December 2024 (2023: DKK 430,114k), and any remaining overhead is also at the disposal of the Company.

15. Provision for deferred tax

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	1,190	1,550	0	0
Amounts recognised in the income statement for the year	228	-360	0	0
Deferred tax liabilities at 31 December	**1,418**	**1,190**	**0**	**0**

16. Other provisions

Other provisions relates to costs arising from the strategic reorganization. The final amount to be paid is uncertain. The provision reflects Management's best estimate of the settlement of the provision.

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Other provisions	8,864	0	0	0
	8,864	**0**	**0**	**0**
The provisions are expected to mature as follows:				
Within 1 year	8,864	0	0	0
After 5 years	0	0	0	0
	8,864	**0**	**0**	**0**

17. Cash flow statement - Adjustments

	Group	
	2024	2023
	TDKK	TDKK
Financial income	-6,121	-7,234
Financial expenses	13,757	6,309
Depreciation, amortisation and impairment losses, including losses and gains on sales	16,499	6,531
Tax on profit/loss for the year	13,240	27,742
Exchange adjustments	137	0
	37,512	**33,348**

18. Cash flow statement - Change in working capital

	Group 2024	Group 2023
	TDKK	TDKK
Change in receivables	-1,509	3,809
Change in other provisions	8,864	23,528
Change in trade payables, etc	15,334	51,865
	22,689	**79,202**

19. Contingent assets, liabilities and other financial obligations

	Group 2024	Group 2023	Parent company 2024	Parent company 2023
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,193	3,237	0	0
	3,193	**3,237**	**0**	**0**

Other contingent liabilities

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.

Inpay Holding A/S issued a letter of support towards its subsidiaries Eurogiro A/S and Clouditorium ApS. As these entities have a negative equity, a corresponding provision has been provided. Further, a letter of support towards the subsidiary RobotGo has also been issued. The letters of support are valid until 30 June 2026.

Notes to the Financial Statements

20. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Inpay TopCo ApS	Ultimate Parent Company
Inpay HoldCo ApS	Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

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

Name	Place of registered office
Inpay TopCo ApS	Copenhagen

21. Fee to auditors appointed at the general meeting

	Group	
	2024	2023
	TDKK	TDKK
PricewatehouseCoopers Statsautoriseret Revisionspartnerselskab		
Audit fee	828	789
Other assurance engagements	353	187
Tax advisory services	1,456	510
Non-audit services	2,699	5,611
	5,336	**7,097**

22. Subsequent events

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

23. Accounting policies

The Annual Report of Inpay Holding A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Inpay Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

For Inpay Holding A/S, the method has been applied to the enterprises contributed as part of the formation of the Company; Inpay A/S, Inpay Services ApS, Inpay Services UK Ltd, Inpay Global ApS, Eurogiro A/S, PostalPay Technologies ApS and Clouditorium ApS.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Segment information on revenue

Information on business segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenues are recognised at the rate of completion of the payment services, which means that revenue equals the selling price of the service completed for the year, and when it is probable that the economic benefits, including payments, will flow to the Company.

Direct expenses

Direct expenses comprise direct costs related to the processing of transactions, including bank fees currency gains and losses, etc.etc.

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Provisions will be made on negative equity in subsidiaries, if there is are actual obligations.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 all Danish Group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Prepayments received from customers comprise transaction payables to the Company's customers (merchants) relating to normal transactions with those, in which they transfer funds to Inpay in order for Inpay to carry out transactions on behalf of the merchants. These payables are measured at amortised cost, usually corresponding to nominal value.

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

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity