

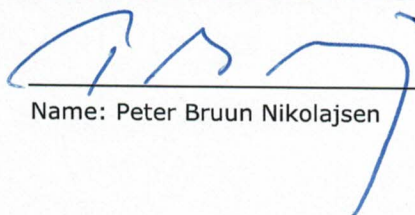
Fintech Solution Lab ApS

Strandgade 98, 3.
1401 Copenhagen
Business Registration No
36734205

Annual report 2017

The Annual General Meeting adopted the annual report on 27.03.2018

Chairman of the General Meeting



Name: Peter Bruun Nikolajsen

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Entity details

Entity

Fintech Solution Lab ApS
Strandgade 98, 3.
1401 Copenhagen

Central Business Registration No (CVR): 36734205

Founded: 01.05.2015

Registered in: Copenhagen

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Gregers Kronborg, Chairman
Jeppe Carøe Rindom
Frank Lyhne Hansen
Peter Højland
Steen Parsholt

Executive Board

Bo Mikael Langseth Nilsson, CEO
Thomas Elsborg Jensen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 Copenhagen

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Fintech Solution Lab ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Copenhagen, 12.03.2018

Executive Board

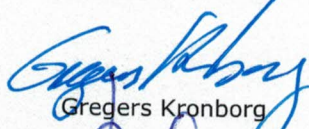


Bo Mikael Langseth Nilsson
CEO



Thomas Elsborg Jensen
Director

Board of Directors



Gregers Kronborg
Chairman




Peter Højland



Jeppe Carøe Rindom



Steen Parsholt



Frank Lyhne Hansen

Independent auditor's report

To the shareholders of Fintech Solution Lab ApS

Opinion

We have audited the financial statements of Fintech Solution Lab ApS for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We refer to note 1 to the financial statements in which Management accounts for the material uncertainties connected with the going concern of the Entity. The Entity's going concern is conditional on additional funds being provided and continued customer intake. In preparing the financial statements, Management has assumed that additional funds will be contributed in the following financial year and has therefore presented the financial statements on a going concern assumption. As outlined in note 1, this points to a material uncertainty that may cast substantial doubt on the Entity's ability to continue as a going concern. This matter has not modified our opinion.

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

Independent auditor's report

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.

Independent auditor's report

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, 12.03.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Jens Ringbæk

State Authorised Public Accountant

Identification No (MNE) mne27735

Management commentary

Primary activities

The Entity's main activity is to develop an IT platform to be used by the 100% owned subsidiary, November First A/S, for international payments and related services. The IT platform can potentially also be leased out to external clients.

Development in activities and finances

Following the launch of the IT platform late 2016, development has continued during 2017 to add more features and, based on customer feedback, improve the customer experience. This work will continue in the coming years.

The financial result for 2017 is as expected.

Late 2017, it was discovered that the Entity's accounting for VAT for the period starting on 1 July 2016 and ending on 30 September 2017 was erroneous. The errors were corrected and agreed with the Tax authorities before year-end and repayment of too much paid VAT was received in February 2018. Please refer to note 3 in the annual report.

Furthermore the 2017 result is impacted by a correction of the 2016 tax income, which incorrectly had not been allocated to the companies included in the mandatory Danish joint taxation scheme. Please refer to note 5 in the annual report.

Funding and going concern

To fund future development of the IT platform and to enable the Entity's funding of the subsidiary, November First A/S' expansion, the Entity received additional funding in 2017 in form of the second tranche of a loan from Vækstfonden amounting to DKK 3.0 million and capital contributions from investors amounting to DKK 9.4 million.

The Entity is considered a going concern. Please refer to note 1 in the annual report.

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit/loss	3	1,026,098	-286,329
Staff costs	4	-275,764	-532,691
Depreciation, amortisation and impairment losses		-1,223,518	0
Operating profit/loss		-473,184	-819,020
Other financial income		11,963	1,826
Other financial expenses		-975,786	-530,841
Profit/loss before tax		-1,437,007	-1,348,035
Tax on profit/loss for the year	5	-143,888	542,543
Profit/loss for the year		-1,580,895	-805,492
Proposed distribution of profit/loss			
Transferred to other statutory reserves		1,691,123	2,466,104
Retained earnings		-3,272,018	-3,271,596
		-1,580,895	-805,492

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Completed development projects		5,768,545	0
Development projects in progress		<u>0</u>	<u>5,300,940</u>
Intangible assets	6	<u>5,768,545</u>	<u>5,300,940</u>
Investments in group enterprises		15,500,000	5,000,000
Other receivables		<u>116,555</u>	<u>57,750</u>
Fixed asset investments	7	<u>15,616,555</u>	<u>5,057,750</u>
Fixed assets		<u>21,385,100</u>	<u>10,358,690</u>
Receivables from group enterprises		196,329	328,835
Other receivables		597,090	46,025
Income tax receivable		67,962	597,597
Prepayments		<u>120,886</u>	<u>0</u>
Receivables		<u>982,267</u>	<u>972,457</u>
Cash		<u>2,147,673</u>	<u>1,200,830</u>
Current assets		<u>3,129,940</u>	<u>2,173,287</u>
Assets		<u>24,515,040</u>	<u>12,531,977</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		167,548	132,613
Reserve for development expenditure		4,157,227	2,466,104
Retained earnings		<u>10,731,886</u>	<u>4,645,184</u>
Equity		<u>15,056,661</u>	<u>7,243,901</u>
Other payables		<u>8,850,032</u>	<u>4,906,502</u>
Non-current liabilities other than provisions	8	<u>8,850,032</u>	<u>4,906,502</u>
Trade payables		177,449	0
Payables to group enterprises		76,885	292,574
Other payables		<u>354,013</u>	<u>89,000</u>
Current liabilities other than provisions		<u>608,347</u>	<u>381,574</u>
Liabilities other than provisions		<u>9,458,379</u>	<u>5,288,076</u>
Equity and liabilities		<u>24,515,040</u>	<u>12,531,977</u>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	9		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	132,613	2,466,104	4,645,184	7,243,901
Increase of capital	34,935	0	9,358,720	9,393,655
Profit/loss for the year	0	1,691,123	-3,272,018	-1,580,895
Equity end of year	167,548	4,157,227	10,731,886	15,056,661

Notes

1. Going concern

The Fintech Solution Lab ApS Group consisting of Fintech Solution Lab ApS and November First A/S is integrated in such way that going concern considerations must be made for the Group.

The Group is not expected to become profitable in the short term, and according to the 2018 plan and budget, the Group will require additional funding by mid-2018 to continue its operations through 2018 and into 2019. To attract new investors, it is the Group's strategy not to be overcapitalised and only to raise funds when needed and then based on proof of increased business value.

Based on the required funding by mid-2018, the Board of Directors will at the Annual General Meeting to be held on 27.03.2017 suggest that the Board of Directors is authorised to increase the share capital in Fintech Solution Lab ApS with up to nominal DKK 31,000 by cash a payment or by issuance of convertible loans or a combination of the two. Investors holding the majority of the shares have prior to the Annual General Meeting indicated that they will vote in favour of the proposal. Consequently the Board of Directors expect to start a process to secure additional funding immediately after the Annual General Meeting.

Fintech Solution Lab ApS will use the majority of any capital and/or loans received to further increase the capital in the fully owned subsidiary November First A/S.

Full subscription will, based on the most recent share price, generate funds amounting to a minimum of DKK 10,000,000, which is in excess of what is needed according to the budget to fund the Group through 2018.

Based on the Group's historical ability to attract investors when funding is required and the increasing interest in the November First business model, Management believes that it will successfully achieve raising the required funds during the second quarter of 2018.

Should Management, contrary to its expectations, not succeed in raising the required funds, the Group cannot be considered a going concern. Consequently, the Group will cease its activity relating to the November First currency transfer platform and simultaneously request the Danish Financial Supervisory Authority to cancel November First A/S' licence to perform payment services. This will free the Group's restricted cash deposit which will be used during a controlled close-down process. However, such procedures will not generate sufficient liquidity to ensure that investors and credit institutions may not incur losses.

2. Uncertainty relating to recognition and measurement

The valuation of the development projects relies on the extent of profitability of the subsidiary's future currency flow from its customers.

Several customers have signed up during the year, and Management expects the subsidiary's activities to grow considerably in the financial years ahead.

Notes

The development projects have been valued based on the above expectations, however, Management believes that the valuation is subject to considerable uncertainty should Management's objectives fail to be realised in the financial years ahead, contrary to expectations.

3. Gross profit/loss

The 2017 gross profit includes income amounting to DKK 323,508 relating to erroneous handling of VAT in 2016. The amount was repaid to the Entity in February 2018.

	2017	2016
	DKK	DKK
4. Staff costs		
Wages and salaries	275,764	515,324
Other social security costs	0	351
Other staff costs	0	17,016
	275,764	532,691
Average number of employees	2	

Staff costs consist of allocated wages and salaries from the subsidiary.

	2017	2016
	DKK	DKK
5. Tax on profit/loss for the year		
Current tax	143,888	-542,543
	143,888	-542,543

The 2017 income tax expense includes DKK 211,850 relating to erroneous allocation of income tax in 2016 under the mandatory Danish joint taxation scheme.

Notes

	Completed develop- ment projects DKK	Develop- ment projects in progress DKK
6. Intangible assets		
Cost beginning of year	0	5,300,940
Transfers	5,300,940	-5,300,940
Additions	1,691,123	0
Cost end of year	6,992,063	0
Amortisation for the year	-1,223,518	0
Amortisation and impairment losses end of year	-1,223,518	0
Carrying amount end of year	5,768,545	0

Development projects

The Entity's development project concerns a platform for efficient and cost-saving treatment of currency transactions. The assumptions for recognition as well as any uncertainty connected with recognition are disclosed in note 2 to the financial statements.

	Invest- ments in group enterprises DKK	Other receivables DKK
7. Fixed asset investments		
Cost beginning of year	5,000,000	57,750
Additions	10,500,000	58,805
Cost end of year	15,500,000	116,555
Carrying amount end of year	15,500,000	116,555

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK	Profit/loss DKK
Investments in group enterprises comprise:					
November First A/S	København	A/S	100.0	4,364,858	8,270,241

Notes

8. Liabilities other than provisions

Other long-term debt consists of a loan from Vækstfonden of DKK 7,450 thousand plus interest of DKK 1,401 thousand. The loan is an interest-only loan and with rolled-up annual interest of 12% until the date of realisation, which is eight years after raising of the loan. At any point in time, the Entity may choose to repay the loan or part of the loan.

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Halvsvenske Aner Holding ApS 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 certain provisions for reporting class C.

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

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 to the buyer. 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. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as 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, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Other financial income

Other financial income comprises interest income and profit on transactions in foreign currencies.

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 as well as 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed.

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 is taken to equity under 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. The amortisation periods used are 5 years.

Accounting policies

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and cash in bank.

Other financial liabilities

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