# *Fintech Solution Lab ApS*

Strandgade , 98,3, DK-1401 København K

## Annual Report for 2022

CVR No. 36 73 42 05

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/6 2023

Gregers Kronborg
Chairman of the general meeting

# Contents

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Fintech Solution Lab ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

København K, 15 June 2023

**Executive Board**

Bo Mikael Langseth Nilsson
Manager

**Board of Directors**

| | | |
|---|---|---|
| Gregers Kronborg<br>Chairman | Frank Lyhne Hansen | Susanne Brønnum-Hyttel |

# Independent Auditor's report

To the shareholder of Fintech Solution Lab ApS

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fintech Solution Lab ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

It should be noted that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. We refer to note 1 to the Financial Statements disclosing that the Company's going concern is conditional on an agreement with an industrial buyer is made to secure additional funds are being provided and that an agreement with Lenders is reached, whereby changed terms and conditions secure that the Company can service the debt. In preparing the Financial Statements, Management has assumed that agreements with industrial buyer and Lenders will be closed within the coming 2-3 months. Accordingly, the Financial Statements have been prepared on the assumption of the Company continuing as a going concern. As outlined in note 1, this leads to a material uncertainly that may cast significant doubt on the Company's ability to continue as a going concern due to limited liquidity reserves in case of above-mentioned agreements are not entered.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to note 9 to the Financial Statements describing the significant uncertainty that is related to the valuation assumptions for shares in November First and IP-rights (Software platform).

**Statement on Management’s Review**

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

# Independent Auditor's report

**Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

# Independent Auditor's report

Hellerup, 15 June 2023

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
*CVR No 33 77 12 31*

| | |
|---|---|
| Benny Voss | Peter Nissen |
| State Authorised Public Accountant | State Authorised Public Accountant |
| mne15009 | mne33260 |

# Company information

| | |
|---|---|
| **The Company** | Fintech Solution Lab ApS<br>Strandgade , 98,3<br>DK-1401 København K<br><br>CVR No: 36 73 42 05<br>Financial period: 1 January - 31 December<br>Incorporated: 1 May 2015<br>Financial year: 8th financial year<br>Municipality of reg. office: Copenhagen |
| **Board of Directors** | Gregers Kronborg, chairman<br>Frank Lyhne Hansen<br>Susanne Brønnum-Hyttel |
| **Executive Board** | Bo Mikael Langseth Nilsson |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>2900 Hellerup |

# Management's review

**Key activities**

The Company’s main activity is to develop a IT-platform to be used by the fully owned subsidiary November First A/S for international payments and related service. The IT-platform potentially can also be leased out to external clients.

**Development in the year**

The income statement of the Company for 2022 shows a loss of DKK 29,667,204, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 15,327.

The loss of 2022 is higher than expected due to write down on assets in relation to impairment test.

Development of the IT-platform has continued during 2022 and undergone a significant development towards onboarding of new customers and also with focus on SmartPay. On top of this, the development activities also included features to support compliance requirements, which has been met. The improvement of the IT-Platform is ongoing and ensuring the basis for stability and scalability.

The fully owned subsidiary November First A/S has in late 2021 entered into an agreement with Visma economic of co-developing “Smart Pay”. In 2022 the co-operation around SmartPay launched in April 2022 and contributed to acquisition of new customers. The growth in 2022 in relation to the SmartPay-agreement with Visma e-conomic was significant compared to 2021 but materialized lower than expected at the beginning. Due to a high fixed costbase, the company was forced to adjust the costbase in 2022 and further in 2023.
During 2022 the company has fully funded November First A/S with capital injections of 8,7 M.DKK and also liquidity supply when needed. The investments have secured the capital base of the company and the liquidity needs in 2022 and further in 2023. In 2023 Fintech Solution Lab ApS has further funded with capital injections of 4,6 M.DKK as per 31 May 2023.

**Funding and going concern**

During 2022 the Group has been funded with establishment of convertible loan agreements of 11,6 M.DKK by existing investors and a few new ones.

At the time of signing the annual report, the company is in the final process of a sale of shares and IPrights to a new ultimate owner. This will expectedly contribute to support capital- and liquidity needs in November First A/S to be met going forward, in terms of the budget and plans for 2023.

Further, the Management has had discussions with lenders with the purpose of secure the company going forward and the service of loan agreements. This has led to a positive indications around managing the company´s loan facilities going forward and the terms in these. Specially the terms of repayment, which in a short time is comprehensive and the Company will potentially not be able to meet these requirements at the given time.

The model around managing the company´s debt and the terms in this, has been discussed and joined from Lenders. With an expected execution of this model, it is the Management´s view that this will contribute to changed terms and conditions, in this significantly changed repayment terms. This will secure the company´s continued operation going forward in 2023.

Based on this it is the Management´s believe, that it is reasonable and prudent to prepare the Annual Report under a going concern assumption. Material uncertainties related to the above-mentioned events and conditions cast significant doubt on the Entity’s ability to continue as a going concern. Please refer to Note 1 in the Annual Report.

**Uncertainty relating to recognition and measurement**

We refer to note 2 regarding uncertainty relating to recognition and measurement.

# Management's review

**Subsequent events**

After the balance sheet date, the company is in the final process of discussions around sale of the ownership/shares in November First A/S and together with IP-rights to the software platform. At the time of signing the annual report, a Letter of intent has been signed, though a SPA has not been signed, but it is the Management´s believe, that this is a formality and it will be executed shortly hereafter with closing approx. 60 business days hereafter due to required approval for change in ultimate ownership from the Danish Financial Supervisory Authority.

Further, this it is the Management´s believe, that a model for managing the company´s loan facilities will be executed in connection with or shortly after close of sale agreement. This will secure the company´s continued operation going forward in 2023.

Other than above described, no events materially effecting the assessment of the Annual Report have occurred after the balance sheet date.

# Income statement 1 January - 31 December

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | DKK | DKK |
| **Gross profit** | | **3,250,815** | **3,229,701** |
| Staff expenses | 3 | -330,333 | -156,733 |
| Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment | | -8,010,878 | -3,494,848 |
| **Profit/loss before financial income and expenses** | | **-5,090,396** | **-421,880** |
| Income from investments in subsidiaries | 4 | -22,656,683 | 0 |
| Financial income | 5 | 17,245 | 14,331 |
| Financial expenses | 6 | -2,501,500 | -2,017,728 |
| **Profit/loss before tax** | | **-30,231,334** | **-2,425,277** |
| Tax on profit/loss for the year | 7 | 564,130 | 347,752 |
| **Net profit/loss for the year** | | **-29,667,204** | **-2,077,525** |

## Distribution of profit

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| **Proposed distribution of profit** | | |
| Retained earnings | -29,667,204 | -2,077,525 |
| | **-29,667,204** | **-2,077,525** |

# Balance sheet 31 December

## Assets

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | DKK | DKK |
| Completed development projects | | 6,664,849 | 8,196,390 |
| **Intangible assets** | 8 | **6,664,849** | **8,196,390** |
| Investments in subsidiaries | 9 | 32,743,317 | 46,700,000 |
| Receivables from associates | | 307,330 | 290,140 |
| Other receivables | | 124,251 | 115,245 |
| **Fixed asset investments** | | **33,174,898** | **47,105,385** |
| **Fixed assets** | | **39,839,747** | **55,301,775** |
| Other receivables | | 476,615 | 171,800 |
| Corporation tax | | 564,130 | 301,329 |
| Prepayments | | 7,186 | 6,312 |
| **Receivables** | | **1,047,931** | **479,441** |
| **Cash at bank and in hand** | | **56,479** | **368,287** |
| **Current assets** | | **1,104,410** | **847,728** |
| **Assets** | | **40,944,157** | **56,149,503** |

# Balance sheet 31 December

## Liabilities and equity

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | DKK | DKK |
| Share capital | | 474,155 | 474,155 |
| Reserve for development costs | | 5,198,582 | 7,919,709 |
| Retained earnings | | -5,657,410 | 21,288,667 |
| **Equity** | | **15,327** | **29,682,531** |
| | | | |
| Mortgage loans | | 27,650,044 | 26,357,894 |
| Convertible and profit-yielding instruments of debt | | 11,600,442 | 0 |
| **Long-term debt** | 10 | **39,250,486** | **26,357,894** |
| | | | |
| Mortgage loans | 10 | 957,000 | 0 |
| Convertible and profit-yielding instruments of debt | | 0 | 440 |
| Trade payables | | 58,600 | 30,246 |
| Payables to group enterprises | | 637,640 | 34,705 |
| Other payables | | 25,104 | 43,687 |
| **Short-term debt** | | **1,678,344** | **109,078** |
| | | | |
| **Debt** | | **40,928,830** | **26,466,972** |
| | | | |
| **Liabilities and equity** | | **40,944,157** | **56,149,503** |

| | |
|---|---|
| Going concern | 1 |
| Uncertainty relating to recognition and measurement | 2 |
| Contingent assets, liabilities and other financial obligations | 11 |
| Accounting Policies | 12 |

# Statement of changes in equity

| | Share capital | Reserve for development costs | Retained earnings | Total |
|---|---|---|---|---|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 474,155 | 7,919,709 | 21,288,667 | 29,682,531 |
| Development costs for the year | 0 | -2,721,127 | 2,721,127 | 0 |
| Net profit/loss for the year | 0 | 0 | -29,667,204 | -29,667,204 |
| **Equity at 31 December** | **474,155** | **5,198,582** | **-5,657,410** | **15,327** |

# Notes to the Financial Statements

## 1. Going concern

The Fintech Solution Lab ApS Group (the 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 as well as on company level. As the Group is in a start-up/scall-up phase, there is a constant need for liquidity to finance investment in growth and ongoing operations. In 2022 and 2023 liquidity has been received monthly from investors to secure capital and liquidity needs but further liquidity in 2023 is not secured by the investors.

In 2022 the co-operation around SmartPay launched in April 2022 and contributed to acquisition of new customers. The growth in 2022 in relation to the SmartPay-agreement with Visma e-conomic was significant compared to 2021 but materialized lower than expected at the beginning.

Development of the IT-platform has continued during 2022 and undergone a significant development towards onboarding of new customers and also with focus on SmartPay. On top of this, the development activities also included features to support compliance requirements, which has been met.

Due to a high fixed cost base, November First A/S was forced to adjust the costbase in 2022 and further in 2023.

During 2022 the Group has been funded with establishment of convertible loan agreements of 11,6 M.DKK by existing investors and a few new ones. This have secured the capital- and liquidity base in November First A/S and investments have been made with capital injections in 2022 with 8,7 M.DKK. In 2023 the company has received further capital injections of 4,6 M.DKK.

During 2022 the launch of the Smart Pay service as well as business with other business partners created acquisitive interest in the Group, and a structured sales process was initiated. This led to the signing of a Letter of Intent with an industrial buyer. Subsequently the process has progressed and due diligence has been successfully completed. The process is now progressing towards the signing and closing of an asset purchase agreement where the buyer will acquire all shares in November First and all intellectual property rights.

At the approval of the annual report, it is Managements assessment, that the company is in the final process of a sale of shares and IP-rights to a new ultimate owner. This will expectedly contribute to capital- and liquidity needs in November First A/S to be met going forward, in terms of the budget and plans for 2023. With this, the company will be able to continue its operations and development through 2023, according to plan with third part.

In case that negotiations are not concluded with a positive result the Group's liquidity will only be secured for few weeks from the time of signing the Annual Report, in the case that the investors choose not to continue to bridgefund the Group, opposite previously.

Further, the Management has had discussions with lenders with the purpose of securing the company going forward and the service of loan agreements. This has led to apositive indication around managing the company´s loan facilities and the terms hereby. At the current circumstances, especially the terms of repayment, which in a short time is comprehensive, the Company will potentially not be able to meet these requirements at the given time.

The model around managing the company´s loan facilities and the terms in this, has been discussed with and are supported by Lenders. With an expected execution of this model for managing the company´s loan facilities, it is the Management´s view that this will contribute to changed terms and conditions so that Fintech Solution Lab ApS can service the debt by cash flow from the divestment of Novembers First A/S and intellectual property rights are received by Fintech Solution Lab ApS. This will secure the company´s continued operation going forward in 2023.

In case that a final agreement is not reached with lenders , part of the existing loan facilities will fall due by October 2023.

Based on the assessment of the above details, including

-the ongoing negotiation with industrial buyer is expected to fall out successfully,

-the up-front capital injections in the November First A/S will be in line with the indicative discussions,

# Notes to the Financial Statements

-the existing investors is expected to provide sufficient capital and liquidity until closing of an agreement,

-the approval of the buyer from Danish Financial Supervisory Authority (closing condition), and

-an agreement with Lenders is reached, whereby changed terms and conditions secure that the Company can service the debt by cash flow from the divestment of Novembers First A/S and intellectual property rights are received,

Management believes that it is reasonable and prudent to prepare the Annual Report under a going concern assumption.

There are material uncertainties related to the above-mentioned events and conditions that may cast significant doubt on the Groups and hereby the entity’s ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

## 2. Uncertainty relating to recognition and measurement

Initially the valuation of the development projects relies on the extent of profitability of the subsidary's future FX and fee income from its customers.

The development projects have initially been valued based on the above expectation and subsequently impairment test has been performed due to expected sales price in relation to divestment of November First A/S. Management believes that the valuation is subject to considerable uncertainty – please refer to notes 8 and 9 for further details.

Investments in subsidiaries are initially recognized at cost price. Subsequently impairment test has been performed due to expected sales price in relation to divestment of November First A/S. Management believes that the valuation is subject to considerable uncertainty – please refer to note 9 for further details.

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| **3. Staff Expenses** | | |
| Wages and salaries | 330,333 | 156,733 |
| | **330,333** | **156,733** |
| **Average number of employees** | **1** | **2** |

Staff costs consist of allocated wages and salaries from subsidiary.

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| **4. Income from investments in subsidiaries** | | |
| Impairment losses on financial assets | -22,656,683 | 0 |
| | **-22,656,683** | **0** |

# Notes to the Financial Statements

## 5. Financial income

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| Interest from group entreprises | 17,190 | 14,331 |
| Other financial income | 55 | 0 |
| | **17,245** | **14,331** |

## 6. Financial expenses

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| Interest paid to group enterprises | 1,522 | 0 |
| Other financial expenses | 2,499,978 | 2,017,728 |
| | **2,501,500** | **2,017,728** |

## 7. Income tax expense

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| Current tax for the year | -564,130 | -301,329 |
| Adjustment of tax concerning previous years | 0 | -46,423 |
| | **-564,130** | **-347,752** |

The estimated tax charge for the year includes tax refunds according to LL § 8X (skattekreditordningen), there are no recognized deferred tax assets.

## 8. Intangible fixed assets

| | Completed development projects |
|---|---|
| | DKK |
| Cost at 1 January | 19,505,702 |
| Additions for the year | 6,479,337 |
| Cost at 31 December | 25,985,039 |
| | |
| Impairment losses and amortisation at 1 January | 11,309,312 |
| Impairment losses for the year | 4,626,299 |
| Amortisation for the year | 3,384,579 |
| Impairment losses and amortisation at 31 December | 19,320,190 |
| | |
| **Carrying amount at 31 December** | **6,664,849** |
| | |
| Amortised over | 5 years |

The completed development projects is a IT-platform to be used by the fully owned subsidiary November First A/S for international payments and related service.

In relation to impairment assessment, see note 9.

# Notes to the Financial Statements

## 9. Investments in subsidiaries

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| Cost at 1 January | 46,700,000 | 42,500,000 |
| Additions for the year | 8,700,000 | 4,200,000 |
| Cost at 31 December | 55,400,000 | 46,700,000 |
| Other adjustments | -22,656,683 | 0 |
| Value adjustments at 31 December | -22,656,683 | 0 |
| **Carrying amount at 31 December** | **32,743,317** | **46,700,000** |

During 2022 and 2023 the Company carried out an impairment test of its fixed assets including the investments in subsidiaries. The book value of these assets as per December 31, 2022 were DKK 37,139 thousands of which the investments in subsidiaries represented DKK 30,860 thousand before impairment.

As mentioned in note 1, it is Managements assessment, that the company is in the final process of a sale of shares in November First and IP-rights (Softwareplatform) to a new owner. As the sales price - in the expected model - to a significant degree links together with an earn-out model for the acquisition as a whole, total payments and the split between assets includes significant estimation uncertainties.

The recoverable value of the Company's fixed assets has been estimated using the market value of the Group as per December 31, 2022 – based on the estimated market value of the assets in terms of expected sales conditions in the near future of 2023.

The impairment test shows a need for write down on the assets of DKK 26.041 thousands as per. December 31 2022. This calculation is prepared based on assumptions made with reasonable expectations and discussions with third party (expected buyer of the assets). This calculation and evaluation is also made with a material of uncertainty and based on estimations on EBITDA for 2025-2027 for November First A/S, discounted rate etc.

Should the market value be identified to be lower than described above - contrary to Management's expectations - a further write-down will be incorporated at that time.

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Ownership | Equity | Net profit/loss for the year |
|---|---|---|---|---|---|
| November First A/S | Copenhagen | 1,049,000 | 100% | 2,684,053 | -11,475,473 |
| | | | | **2,684,053** | **-11,475,473** |

## 10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

| | 2022 | 2021 |
|---|---|---|
| | DKK | DKK |
| **Mortgage loans** | | |
| After 5 years | 0 | 0 |
| Between 1 and 5 years | 27,650,044 | 26,357,894 |
| Long-term part | 27,650,044 | 26,357,894 |
| Within 1 year | 957,000 | 0 |
| | **28,607,044** | **26,357,894** |
| **Convertible and profit-yielding instruments of debt** | | |
| After 5 years | 0 | 0 |
| Between 1 and 5 years | 11,600,442 | 0 |
| Long-term part | 11,600,442 | 0 |
| Within 1 year | 0 | 440 |
| | **11,600,442** | **440** |

Please refer to Note 1 for a description of financing expectations in 2023. The loans are recognized and presented in the Financial statements 2022 in accordance with the present loan agreements. The discussions around a model for managing the company´s debt ratio and the positive indications from Lenders have a potential outcome, that the present terms of repayment and interest calculation will be significantly adjusted going forward.

Recognition in the Financial statements 2022:
The company is partly financed by Vækstfonden with 3 loans.

Syndication Loan consist of a loan amounting to T.DKK 7,450 plus accumulated interest of T.DKK 7,765. The loan is an interest-only loan with rolled-up annual interest of 11,5% until repayment, which is eight years from payout, as per January 18, 2024. At any point in time, the Entity may choose to repay the loan or a part hereof.

COVID-19 BA-loan l was received in 2020, consists of a loan amounting to T.DKK 10,000 plus accumulated interest of T.DKK 1,215. The loan is an interest-only loan with rolled-up annual interest (CIBOR 3 months + 5%). The loan shall be repaid in installments starting October 2, 2023 with 957 T.DKK (following quarterly payments of 957 T.DKK) to be fully repaid in 2026. The Loan Amount will be due for full and final repayment in case of sale of the entity. In case of a sale the lender is further entitled to a bonus if the gross proceeds per share exceeds four times the price per share in connection with the business angel investments made to qualify for the loan, which was DKK 50 per share for 29% and DKK 200 for 71% of the investments made. The bonus equals the loan amount less any repaid interest.

An additional Covid 19 BA-loan ll was received in 2021, consists of a loan amounting to T.DKK 2,000 plus accumulated interest of T.DKK 177, with the same conditions as above. Repayment starts with quarterly payments from July 2024.

The convertible loans are non-terminable for both the company and the lenders unless breach occurs. In certain events like capital increases in the company the lenders may convert the loan to shares or have the loan repaid.

## 11. Contingent assets, liabilities and other financial obligations

**Rental and lease obligations**

Fintech Solution Lab ApS has entered a lease contract with a notice of 3 months. The rent obligation amounts to DKK 128.001 pr. December 31, 2022.

**Other contingent liabilities**

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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 Group’s liability.

# Notes to the Financial Statements

## 12. Accounting policies

The Annual Report of Fintech Solution Lab ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

**Consolidated financial statements**

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

**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.

## Income statement

**Net sales**

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

**Other external expenses**

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

**Gross profit**

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

**Staff expenses**

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

**Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise depreciation and impairment of intangible assets.

# Notes to the Financial Statements

**Other operating income and expenses**

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

**Financial income and expenses**

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

**Tax on profit/loss for the year**

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

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

## Balance sheet

**Intangible fixed assets**

Intangible assets etc comprise development projects completed.

Development projects on clearly defined and identifable products and processes, for which the technical rate of utilisation, adequate ressources and a potential future market or development opportunity in the enterprise can be estabilshed, 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 he developments 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.

**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.

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

**Investments in subsidiaries**

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

# Notes to the Financial Statements

**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 insurance premiums.

**Current tax receivables and liabilities**

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

**Financial debts**

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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