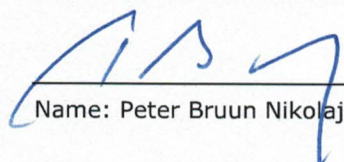


**November First A/S**  
Strandgade 98, 3.  
1401 Copenhagen  
Business Registration No  
37367605

**Annual report 2017**

The Annual General Meeting adopted the annual report on 27.03.2018

**Chairman of the General Meeting**



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Name: Peter Bruun Nikolajsen

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## Entity details

### Entity

November First A/S  
Strandgade 98, 3.  
1401 Copenhagen

Central Business Registration No (CVR): 37367605

Founded: 12.01.2016

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  
Jan Kühnel, 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 November First A/S 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



Jan Kühnel  
Director

### Board of Directors



Gregers Kronborg  
Chairman



Jeppe Carøe Rindom



Frank Lyhne Hansen



Peter Højland



Steen Parsholt

## Independent auditor's report

### To the shareholder of November First A/S

#### Opinion

We have audited the financial statements of November First A/S 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 provide international payment services to European companies. The IT platform used to provide these services is owned by the Parent, Fintech Solution Lab ApS. The Entity operates under licence no. 22017 from the Danish Financial Supervisory Authority. The license is valid for operation in Denmark and has been activated in additional 23 European countries.

### Development in activities and finances

#### General development

Following the early launch of November First's payment services late 2016, November First continued the journey to prove the product-market fit and to prepare the organisation for scale-up. Consequently, the development capacity was increased by adding talented development engineers, primarily from abroad, key leadership resources were added and the basis for a scalable marketing and sales organisation was created.

#### Business development - services and partnerships

During 2017, November First has proven itself to be a cost efficient and effective alternative to the traditional banks for international payment services for businesses. The service offering has grown from being a simple international payment solution to a more advanced international payment service that handles various types of payments and currencies. As a response to integration demand from independent software vendors, November First has increased the capability of the underlying platform in order to be supportive of development by third parties. The partners include both domestic and regional leaders in continental Europe.

During 2018, the Entity expects to add new partnerships to the platform and the Entity further expects to increase its international presence.

#### Awards and recognitions

November First A/S won EY's prestigious Entrepreneur of the Year award 2017 in the Start-Up category in competition with many strong companies. The jury stressed the experienced management team and the establishment of a professional Board of Directors, along with an experimental go-to market strategy and the fact that the Entity is born global and have managed to enter into many strong partnerships both regionally and on a European Level.

#### Development in finances

The cost base of November First expanded according to plan in order to prepare for business expansion. This results in an expected and increased loss that was funded through a couple of funding rounds.

Altogether, the financial result for 2017 is as expected.

Late 2017, it was discovered that the Entity's registration for VAT and payroll tax on non-VAT activity for the period starting on 1 July 2016 and ending on 30 September 2017 was erroneous. The errors were



## Management commentary

corrected and agreed with the Tax authorities before year-end. Payment of too little paid VAT and repayment of too much paid payroll tax on non-VAT activity was made in February 2018. Please refer to note 2 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 entities included in the mandatory Danish joint taxation scheme. Please refer to note 4 in the annual report.

### **Funding and going concern**

The Entity is fully funded by the Parent, Fintech Solution Lab ApS. To fund the Entity's continued expansion, November First has in 2017 received capital contributions amounting to DKK 10.5 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>
<b>Gross profit/loss</b>	2	<b>-2,942,616</b>	<b>786,592</b>
Staff costs	3	-5,803,762	-3,665,041
<b>Operating profit/loss</b>		<b>-8,746,378</b>	<b>-2,878,449</b>
Other financial income		7,422	16,703
Other financial expenses		-38,597	-3,155
<b>Profit/loss before tax</b>		<b>-8,777,553</b>	<b>-2,864,901</b>
Tax on profit/loss for the year	4	507,312	0
<b>Profit/loss for the year</b>		<b>-8,270,241</b>	<b>-2,864,901</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		-8,270,241	-2,864,901
		<b>-8,270,241</b>	<b>-2,864,901</b>

**Balance sheet at 31.12.2017**

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Other receivables		1,499,855	1,497,098
<b>Fixed asset investments</b>		<b>1,499,855</b>	<b>1,497,098</b>
<b>Fixed assets</b>		<b>1,499,855</b>	<b>1,497,098</b>
Receivables from group enterprises		84,385	292,574
Other receivables		868,772	8,221
Income tax receivable		303,143	0
Prepayments		458,490	368,127
<b>Receivables</b>		<b>1,714,790</b>	<b>668,922</b>
<b>Cash</b>	5	<b>3,746,299</b>	<b>766,585</b>
<b>Current assets</b>		<b>5,461,089</b>	<b>1,435,507</b>
<b>Assets</b>		<b>6,960,944</b>	<b>2,932,605</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Contributed capital		650,000	545,000
Retained earnings		<u>3,714,858</u>	<u>1,590,099</u>
<b>Equity</b>		<b><u>4,364,858</u></b>	<b><u>2,135,099</u></b>
Prepayments received from customers		884,544	0
Trade payables		89,061	57,767
Payables to group enterprises		0	178,386
Other payables		<u>1,622,481</u>	<u>561,353</u>
<b>Current liabilities other than provisions</b>		<b><u>2,596,086</u></b>	<b><u>797,506</u></b>
<b>Liabilities other than provisions</b>		<b><u>2,596,086</u></b>	<b><u>797,506</u></b>
<b>Equity and liabilities</b>		<b><u>6,960,944</u></b>	<b><u>2,932,605</u></b>
Going concern	1		
Contingent liabilities	6		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	545,000	1,590,099	2,135,099
Increase of capital	105,000	10,395,000	10,500,000
Profit/loss for the year	0	-8,270,241	-8,270,241
<b>Equity end of year</b>	<b>650,000</b>	<b>3,714,858</b>	<b>4,364,858</b>

Based on its revenue forecast, the Entity has been ordered by the Danish FSA to have a minimum capital base of DKK 1,240,000. The Entity fully complies with this requirement.

The Entity has made a cash deposit amounting to DKK 1,489,855 as at 31.12.2017, which is accounted for as other receivables under the heading fixed asset investments.

Equity for 2016 has been adjusted in the 2017 annual report. The adjustment has not had any monetary effect as it solely constituted a reclassification within equity.

## 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. Gross profit/loss

The 2017 gross loss includes income amounting to DKK 255,135 relating to incorrectly expensed and paid payroll tax on non-VAT services in 2016. The amount was repaid to the Entity in February 2018. Furthermore the gross loss includes expenses amounting to DKK 258,430 relating to erroneous handling of VAT in 2016. The amount was paid by the Entity in February 2018.

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Staff costs</b>		
Wages and salaries	5,577,594	3,564,921
Other social security costs	22,342	17,150
Other staff costs	203,826	82,970
	<b>5,803,762</b>	<b>3,665,041</b>
Average number of employees	<b>10</b>	

Wages and salaries are net of DKK 281,764 allocated to the Parent

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	-507,312	0
	<b>-507,312</b>	<b>0</b>

The 2017 income tax includes DKK 204,169 relating to erroneous allocation of income tax in 2016 under the mandatory Danish joint taxation scheme.

### 5. Cash

As at 31.12.2017, cash includes customer funds received on 28.12.2017 and on 29.12.2017 for payments to be settled on 02.01.2018 and on 04.01.2018 respectively. This amounts to DKK 884,544 which is also presented under prepayments received from customers.

### 6. 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.



## Accounting policies

### Other external expenses

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

### Staff costs

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

### 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

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns 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.

#### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the services agreed or completion of the services agreed.