
November First A/S

Gærtorvet 3, DK-1799 København V

Annual Report for 2023

CVR No. 37 36 76 05

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 3/7 2024

Gregers Kronborg
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of November First A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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.

København V, 3 July 2024

Executive Board

Bo Mikael Langseth Nilsson
CEO

Board of Directors

Gregers Kronborg
Chairman

Frank Lyhne Hansen

Susanne Brønnum-Hyttel

Independent Auditor's report

To the shareholder of November First A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of November First A/S for the financial year 1 January - 31 December 2023, 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 that a signed acquisition agreement with an industrial buyer is being closed to secure additional funds are being provided. In preparing the Financial Statements, Management has assumed that an agreement with industrial buyer will be closed within the coming 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 uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to limited liquidity reserves and commitments in case of above-mentioned agreement is not executed.

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.

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.

Independent Auditor's report

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, 3 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Benny Voss

State Authorised Public Accountant

mne15009

Peter Nissen

State Authorised Public Accountant

mne33260

Company information

The Company	November First A/S Gærtorvet 3 1799 København V CVR No: 37 36 76 05 Financial period: 1 January - 31 December Incorporated: 12 January 2016 Financial year: 8th financial year Municipality of reg. office: Copenhagen
Board of Directors	Gregers Kronborg, chairman Frank Lyhne Hansen Susanne Brønnum-Hyttel
Executive Board	Bo Mikael Langseth Nilsson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

The Company'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 company Fintech Solution Lab ApS. The Company operates under license 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 the year

The income statement of the Company for 2023 shows a loss of DKK 11,192,124, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 2,217,929.

The financial result for 2023 is unsatisfactory but as expected.

In 2023 the co-operation around SmartPay launched in April 2022 and contributed to acquisition of new customers. The growth in 2023 in relation to the Smart Pay-agreement with Visma e-economic was significant compared to 2022 but materialized lower than expected.

Development of the IT-platform has continued during 2023 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.

Due to a high fixed costbase, the company was forced to adjust the costbase further in 2023.

During 2023 the company has been funded internally from parent company Fintech Solution Lab ApS with capital injections of 10,7 M.DKK.

The investments are funded in Fintech Solution Lab ApS with establishment of convertible loan agreements by existing investors and a few new ones. The investments have secured the capital base of the Company, and the liquidity needs in 2023 and further in 2024. In 2024 the company has further received capital injections of 4,3 M.DKK.

November First A/S had as per 31. December 2023 excess capital amounting to T.DKK 468.

Capital resources

The Company has been fully funded by the parent company Fintech Solution Lab ApS in 2023 and up to the time of signing the annual report.

At the time of signing the annual report, the company is in the final process of a sale to a new ultimate owner. This will expectedly contribute to capital- and liquidity needs to be met going forward, in terms of the budget and plans for 2024. With this, the company will be able to continue its operations and development through 2024, according to plan.

Based on this 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.

Subsequent events

The Group is in the final process of a sale of the Company to a new ultimate owner. Please refer to note 1.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross loss		-4,186,913	-2,260,046
Staff expenses	2	-7,844,835	-10,048,135
Profit/loss before financial income and expenses		-12,031,748	-12,308,181
Financial income	3	86,457	12,452
Financial expenses	4	-32,784	-41,068
Profit/loss before tax		-11,978,075	-12,336,797
Tax on profit/loss for the year	5	785,951	861,324
Net profit/loss for the year		-11,192,124	-11,475,473

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-11,192,124	-11,475,473
	-11,192,124	-11,475,473

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Other receivables	6	1,500,000	1,500,000
Fixed asset investments		1,500,000	1,500,000
Fixed assets		1,500,000	1,500,000
Trade receivables		28,212	60,805
Receivables from group enterprises		0	637,641
Other receivables		877,311	260,288
Corporation tax		785,772	861,324
Prepayments		921,966	377,948
Receivables		2,613,261	2,198,006
Cash at bank and in hand		1,921,074	1,684,334
Current assets		4,534,335	3,882,340
Assets		6,034,335	5,382,340

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		2,740,260	1,049,000
Retained earnings		-522,331	1,635,053
Equity		2,217,929	2,684,053
Other payables		479,834	457,113
Long-term debt	7	479,834	457,113
Prepayments received from customers		1,793,981	274,837
Trade payables		556,955	637,573
Payables to group enterprises		328,769	0
Other payables		656,867	1,328,764
Short-term debt		3,336,572	2,241,174
Debt		3,816,406	2,698,287
Liabilities and equity		6,034,335	5,382,340
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1,049,000	1,635,053	2,684,053
Cash capital increase	1,691,260	9,034,740	10,726,000
Net profit/loss for the year	0	-11,192,124	-11,192,124
Equity at 31 December	2,740,260	-522,331	2,217,929

Notes to the Financial Statements

1. Going concern

The Fintech Solution Lab ApS Group ("the Group"), consisting of Fintech Solution Lab ApS ("FSL") and November First A/S ("the Company"), is integrated in such a way that going concern considerations must be made for the Group as well as on company level. As the Group is in a scale-up phase, there is a need for liquidity to finance investment in growth and ongoing operations. In 2023 and 2024 liquidity has been received monthly from investors to secure capital and liquidity needs but further liquidity in 2024 is not secured by the current investors as a binding acquisition agreement has been entered with a new owner of the business.

During 2023 the Company has been funded internally from parent company FSL with capital injections of 10,7 M.DKK. These capital injections are funded in FSL with the establishment of convertible loan agreements by existing investors and a few new ones.

The capital injections into the Company have secured the capital base of the Company and the liquidity needs in 2023 and further in 2024. In 2024 the Company has received further capital injections of 4,3 M.DKK.

The Company had as per 31. December 2023 excess capital amounting to T.DKK 468 in relation to the regulatory capital requirement.

During the second half of 2023 an industrial buyer and the parent company FSL signed an acquisition agreement regarding the Company. The process is now progressing towards closing of the transaction where the buyer will acquire all shares in the Company and all intellectual property rights of the parent company.

At the approval of the annual report, it is Managements assessment, that the Group is in the final process of a sale to a new ultimate owner. The new owner will expectedly contribute to capital- and liquidity needs to be met going forward in terms of the budget and plans for 2024. With this, the Company will be able to continue its operations and development through 2024, according to plan.

In case the transaction does not close, e.g. due to the buyer not being approved by the Danish Financial Supervisory Authority the Group's liquidity will only be secured if the current investors choose to continue to fund the Group.

Based on the assessment of the above details, including:

- the expected closing of the transaction with the buyer in the near future,
- the expected up-front capital injections in the Company, cf. the acquisition agreement,
- the expected continued bridging by existing investors until closing of the transaction, and
- the approval of the buyer from Danish Financial Supervisory Authority (closing condition)

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 Group 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.

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	7,620,858	9,780,219
Pensions	125,722	125,898
Other social security expenses	98,255	139,374
Other staff expenses	0	2,644
	<u>7,844,835</u>	<u>10,048,135</u>
Average number of employees	<u>14</u>	<u>18</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial income		
Interest from group enterprises	6,712	1,522
Other financial income	79,745	10,930
	<u>86,457</u>	<u>12,452</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Financial expenses		
Interest to group enterprises	1,261	0
Other financial expenses	31,523	41,068
	<u>32,784</u>	<u>41,068</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
5. Income tax expense		
Current tax for the year	-785,951	-861,324
	<u>-785,951</u>	<u>-861,324</u>

The company has recognized a tax asset of DKK 785,951 in the financial statement, related to the group's utilization of the tax credit scheme "skattekreditordningen" under the section 8 X of the Tax Assessment Act "Ligningsloven". In a 2024 tax ruling based on an expert's appraisal, the tax subjects use of the tax scheme was considered correct. On the basis of this ruling, and as the expenses incurred by the company that is the basis of the tax asset are comparable to the expenses approved by the ruling, the company has recognized the above mentioned tax asset in the financial statement. Nevertheless, there is significant uncertainty regarding the recognition and measurement of the tax credit.

6. Other fixed asset investments

	Other receivables
	DKK
Cost at 1 January	1,500,000
Cost at 31 December	<u>1,500,000</u>
Carrying amount at 31 December	<u>1,500,000</u>

Cash security deposit paid to the Company's bank.

	2023	2022
	DKK	DKK
7. Long-term debt		
Debt falling due after 5 years	479,834	457,113
	<u>479,834</u>	<u>457,113</u>

Long term debt relates to loan at "Lønmodtagernes Feriemidler" regarding holiday payment.

Notes to the Financial Statements

8. Contingent assets, liabilities and other financial obligations

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 Fintech Solution Lab 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.

Notes to the Financial Statements

9. Accounting policies

The Annual Report of November First A/S for 2023 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 2023 are presented in DKK.

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.

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.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Revenue

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.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross loss

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

Notes to the Financial Statements

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Other operating income and expenses

Other operating income includes revenues that do not originate from the company's primary activities but still contribute to earnings. Other operating income consists of internal billing according to the transfer pricing agreement entered into with the company's parent company.

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 Fintech Solution Lab ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Other fixed asset investments

Fixed asset investments consist of restricted cash (deposit).

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 and other periodic accruals.

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 liabilities

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