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# ***November First A/S***

Strandgade 98, 3., DK-1401 Copenhagen

## **Annual Report for 1 January - 31 December 2021**

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CVR No 37 36 76 05

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/03 2022

Peter Bruun Nikolajsen  
Chairman of the General  
Meeting



**pwc**

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# 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 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

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

Copenhagen, 16 March 2022

## Executive Board

Bo Mikael Langseth Nilsson  
CEO

Erik Norup  
Executive Officer

## Board of Directors

Gregers Kronborg  
Chairman

Frank Lyhne Hansen

Vibeke Bak Solok

# 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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.

## 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 Financials 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 misstate-

# Independent Auditor's Report

ment, 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

# Independent Auditor's Report

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.

Hellerup, 16 March 2022

**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  
Strandgade 98, 3.  
DK-1401 Copenhagen

CVR No: 37 36 76 05  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Gregers Kronborg, Chairman  
Frank Lyhne Hansen  
Vibeke Bak Solok

### **Executive Board**

Bo Mikael Langseth Nilsson  
Erik Norup

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Management's Review

Financial Statements of November First A/S for 2021 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 Annual Report has been prepared under the same accounting policies as last year.

### 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 2021 shows a loss of DKK 8.208.215 (loss of DKK 6,026,703 in 2020), and on 31 December 2021 the balance sheet of the Company shows equity of DKK 5,459,523 (in 2020 DKK 9,467,739).

The financial result for 2021 is as expected.

The development of the IT-platform has continued during 2021 adding more features based on customer feedback, improvement of the customer experience, as well as ensuring the basis for stability and scalability. In 2022 the development of the IT-platform continues with focus on stability and scalability of IT-platform and further enhancement of API.

In 2021 November First A/S entered into an agreement with Visma e-economic of co-developing "Smart Pay". The agreement lays the foundation for an expected significant growth in activities during 2022. Hence, 2022 is expected to be a year with further development and strengthening of the core operation of business, and further development of- and resource allocation directed towards compliance both in 1st line and 2nd line.

The parent company has in 2021 obtained an additional Covid-19 loan from Vækstfonden of DKK 2,000.000 to amplify the capitalbase. This together with a capital increase corresponding of 2,100,000 DKK, partly through loan conversion

The Company has not applied for any of the ordinary Covid-19 grants as it has been fully operational during the period, however, a grant has been received from Danmarks Innovationsfond to partly cover the salaries for 3 employees for a 12-month period of which 7 months are in 2021. For the 2021 period the grant amounts to DKK 569,625.



## **Management's Review**

### **Funding and going concern**

The Company is fully funded by the parent Company Fintech Solution Lab ApS.

To fund future development of the IT-platform and to enable the Company's funding of the subsidiary November First A/S' growth plans, the budget for 2022 estimates a short-term liquidity need, which is covered by a commitment in March 2022 of capital supply.

Therefore the Company is considered going concern. Please refer to Note 1 in the Annual Report.

### **Subsequent events**

The war between Ukraine and Russia and the events in the capital markets following this, has not led to and will not have any significant impact on business activities for November First.

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

## Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>-2.669.799</b>	<b>-2.035.815</b>
Staff expenses	2	-6.032.750	-4.479.765
<b>Profit/loss before financial income and expenses</b>		<b>-8.702.549</b>	<b>-6.515.580</b>
Financial income		161	1.000
Financial expenses		-78.887	-37.230
<b>Profit/loss before tax</b>		<b>-8.781.275</b>	<b>-6.551.810</b>
Tax on profit/loss for the year	3	573.060	525.107
<b>Net profit/loss for the year</b>		<b>-8.208.215</b>	<b>-6.026.703</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-8.208.215	-6.026.703
		<b>-8.208.215</b>	<b>-6.026.703</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Other receivables		1.500.000	1.500.000
<b>Fixed asset investments</b>	4	<b>1.500.000</b>	<b>1.500.000</b>
<b>Fixed assets</b>		<b>1.500.000</b>	<b>1.500.000</b>
Trade receivables		109.069	0
Receivables from group enterprises		34.705	0
Other receivables		89.505	88.458
Corporation tax		619.483	504.678
Prepayments		323.836	225.322
<b>Receivables</b>		<b>1.176.598</b>	<b>818.458</b>
<b>Cash at bank and in hand</b>	6	<b>7.158.669</b>	<b>9.444.109</b>
<b>Currents assets</b>		<b>8.335.267</b>	<b>10.262.567</b>
<b>Assets</b>		<b>9.835.267</b>	<b>11.762.567</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		962.000	920.000
Retained earnings		4.497.523	8.547.739
<b>Equity</b>		<b>5.459.523</b>	<b>9.467.739</b>
Other payables		448.880	462.993
<b>Long-term debt</b>	5	<b>448.880</b>	<b>462.993</b>
Prepayments received from customers	6	2.631.235	568.700
Trade payables		372.993	49.615
Other payables		922.636	1.213.520
<b>Short-term debt</b>		<b>3.926.864</b>	<b>1.831.835</b>
<b>Debt</b>		<b>4.375.744</b>	<b>2.294.828</b>
<b>Liabilities and equity</b>		<b>9.835.267</b>	<b>11.762.567</b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	920.000	8.547.738	9.467.738
Cash capital increase	42.000	4.158.000	4.200.000
Net profit/loss for the year	0	-8.208.215	-8.208.215
<b>Equity at 31 December</b>	<b>962.000</b>	<b>4.497.523</b>	<b>5.459.523</b>

# Notes to the Financial Statements

## 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.

Development of the IT-platform has continued during 2021. In 2021 November First A/S entered into an agreement with Visma economic of co-developing “Smart Pay”. The agreement lays the foundation for an expected significant growth in activities during 2022.

During 2021 the Group has obtained an additional Covid-19 loan from Vækstfonden of 2,000,000 DKK to amplify the capital base and covering the short-term liquidity needs. This together with a capital increase of 2,100,000 DKK, partly through loan conversion. In addition to that, according to the plans and budget for 2022 the management estimates a short-term liquidity need, which is covered by a commitment in March 2022 of capital supply of approx. t.DKK 5.500, to continue its operations and development through 2022.

Fintech Solution Lab ApS has used and will use the capital to further increase the capital in the fully owned subsidiary November First A/S to ensure, that November First A/S continuously fulfil the capital requirements as defined by the Danish Financial Supervisory Authority. As per 31.12.2021 November First A/S had excess capital amounting to t.DKK 3,871 compared to the capital requirement.

The approved budget for 2022 is by nature based on several assumptions of which the most significant ones relate to the ability to onboard new customers and absorb the transaction volumes generated hereby. Should it turn out that the budgeted growth does not materialize as expected, Management will continuously reassess the Group's cost level with a view to reducing this to a lower level to ensure that the Group is going concern for a longer period.

Based on the assessment of the above details, including

- the Group's current liquidity positions, and plans and the budget for 2022, and
- expected additional capital contributions from existing or new shareholders,

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

Uncertainties related to the above-mentioned events and conditions cast doubt on the Entity's ability to continue as a going concern, however based on Management's current assessment no significant doubt on the entity's ability to continue as a going concern at least until 31 December 2022 exist.

## Notes to the Financial Statements

	<u>2021</u> DKK	<u>2020</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	5.751.889	4.250.378
Pensions	77.063	72.608
Other social security expenses	77.858	55.887
Other staff expenses	125.940	100.892
	<u><b>6.032.750</b></u>	<u><b>4.479.765</b></u>
<b>Average number of employees</b>	<u><b>11</b></u>	<u><b>10</b></u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	<u>-573.060</u>	<u>-525.107</u>
	<u><b>-573.060</b></u>	<u><b>-525.107</b></u>
<b>4 Fixed asset investments</b>		Other receiv- ables
		<u>DKK</u>
Cost at 1 January		<u>1.500.000</u>
Cost at 31 December		<u>1.500.000</u>
<b>Carrying amount at 31 December</b>		<u><b>1.500.000</b></u>

Cash security deposit paid to the Company's bank.

# Notes to the Financial Statements

## 5 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:

	<u>2021</u> DKK	<u>2020</u> DKK
<b>Other payables</b>		
After 5 years	448.880	462.993
Long-term part	448.880	462.993
Other short-term payables	922.636	1.213.520
	<u><b>1.371.516</b></u>	<u><b>1.676.513</b></u>

## 6 Prepayments received from customers

As at 31.12.2021, cash includes customer funds received on 31.12.2021 for payments to be settled on 03.01.2022 respectively. This amounts to DKK 2.631.235 which is also presented under prepayments received from customers.

## 7 Contingent assets, liabilities and other financial obligations

### 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, 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 tax and withholding taxes may increase the company's liability.



# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of November First A/S for 2021 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 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. 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

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.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

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 indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit/loss

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

### Staff expenses

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

### 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### 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.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Prepayments

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

### 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

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