
November First A/S

Strandgade 98, 3., DK-1401 Copenhagen

Annual Report for 1 January - 31 December 2020

CVR No 37 36 76 05

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/3 2021

Peter Bruun Nikolajsen
Chairman of the General
Meeting



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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 15 March 2021

Executive Board

Bo Mikael Langseth Nilsson
CEO

Thomas Elsborg Jensen
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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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' 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.

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, 15 March 2021

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
Thomas Elsborg Jensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of November First A/S for 2020 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 2020 shows a loss of DKK 6,026,703 (DKK 6,448,544 in 2019), and on 31 December 2020 the balance sheet of the Company shows equity of DKK 9,467,739 (1.794,442 in 2019), due to a capital increase in December 2020.

Focus has in 2020 been on continued addition to new features to the IT-platform including approval flow both for users of the November First Portal and the integration with Visma e-economic, and launch of an integration with Uniconta. Further the Company's API has been released for use by third parties to build integrations with November First.

The implications of COVID-19 with many governments across the world deciding to "close down their countries" had a significant impact on the global economy during 2020.

When COVID-19 hit Denmark, the Group was in the process of securing funding for continued expansion of the business, however, as potential new investors instead had to focus on their current portfolio of investments, the Group had a set-back during the first half of 2020. With the help from current investors the Group instead managed to raise capital which could be matched 1:3 and 1:1 respectively with a newly introduced COVID-19 BA-loan from Vækstfonden. The parent company obtained the DKK 10,000,000 loan in September 2020. The loan was backed by funding received from current investors amounting to DKK 5,000,000 partly as capital and partly as convertible loans, which were all converted to capital during 2020.

Some of the Company's customers are within industries that have been significantly impacted by the COVID-19, where other customers have seen stable or increased activity. This has indirectly impacted transaction volumes handled by the Company even though it is difficult to assess how much that is linked to COVID-19 and how much is related to other circumstances. Management assesses that due to the mix in the customer base, the outbreak of COVID-19 has only had a limited negative impact on the Company's financial position.

Management's Review

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 5 months are in 2020. For the 12-months period the grant, which is subject to certain conditions, amounts to DKK 976,500.

Funding and going concern

The Company is fully funded by the parent Company Fintech Solution Lab ApS. To fund the Company's continued expansion, it has in 2020 received capital contributions amounting to DKK 13,700,000.

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

Subsequent events

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

In January 2021 the Danish Financial Supervisory Authority (FSA) conducted an ordinary and announced inspection focusing on the Company's policies and procedures in general, anti-money laundering (AML) and customer knowledge (KYC). The Company has not yet received a report from the FSA outlining the FSA's conclusions. It is not unusual that an inspected Company will receive injunctions that may relate to policies, procedures, and documentation. It is Management's view that such injunctions will not impact the Annual Report.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		-2.035.815	-1.228.530
Staff expenses	2	-4.479.765	-5.619.061
Profit/loss before financial income and expenses		-6.515.580	-6.847.591
Financial income		1.000	2.372
Financial expenses		-37.230	-58.710
Profit/loss before tax		-6.551.810	-6.903.929
Tax on profit/loss for the year	3	525.107	455.385
Net profit/loss for the year		-6.026.703	-6.448.544

Distribution of profit

Proposed distribution of profit

Retained earnings		-6.026.703	-6.448.544
		-6.026.703	-6.448.544

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other receivables		1.500.000	1.500.000
Fixed asset investments	4	1.500.000	1.500.000
Fixed assets		1.500.000	1.500.000
Receivables from group enterprises		0	13.746
Other receivables		88.458	97.398
Corporation tax		504.678	455.121
Prepayments		225.322	356.418
Receivables		818.458	922.683
Cash at bank and in hand	6	9.444.109	1.376.679
Currents assets		10.262.567	2.299.362
Assets		11.762.567	3.799.362

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		920.000	783.000
Retained earnings		8.547.739	1.011.442
Equity		9.467.739	1.794.442
Other payables		462.993	181.151
Long-term debt	5	462.993	181.151
Prepayments received from customers	6	568.700	1.029.879
Trade payables		49.615	46.188
Other payables		1.213.520	747.702
Short-term debt		1.831.835	1.823.769
Debt		2.294.828	2.004.920
Liabilities and equity		11.762.567	3.799.362
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	783.000	1.011.442	1.794.442
Cash capital increase	137.000	13.563.000	13.700.000
Net profit/loss for the year	0	-6.026.703	-6.026.703
Equity at 31 December	920.000	8.547.739	9.467.739

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.

The Group is not expected to become profitable or generate positive liquidity in the short term. During 2020 the Group has obtained a COVID-19 BA-loan from Vækstfonden of DKK 10,000,000, which will cover the short-term liquidity needs. In addition to that, according to the plans and budget the Group is expected to require additional funding during the first quarter of 2022 to continue its operations through 2022.

Fintech Solution Lab ApS has used and will use most of any capital and/or loans received to further increase the capital in the fully owned subsidiary November First A/S to ensure, that November First A/S continuously fulfill the capital requirements as defined by the Danish Financial Supervisory Authority. As per 31.12.2020 November First A/S had excess capital amounting to DKK 8,087,000 compared to the capital requirement.

The approved budget is by nature based on several assumptions of which the most significant ones relate to the ability to attract new customers and the transaction volumes generated hereby. Should it turn out that the budgeted growth is 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 2021, 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 2021 exist.

2 Staff expenses

	<u>2020</u> DKK	<u>2019</u> DKK
Wages and salaries	4.250.378	5.390.646
Pensions	72.608	86.842
Other social security expenses	55.887	25.435
Other staff expenses	100.892	116.138
	<u>4.479.765</u>	<u>5.619.061</u>
Average number of employees	<u>10</u>	<u>11</u>

Wages and salaries are net of DKK 284.849 (DKK 360.227 in 2019) allocated to the Parent.

Notes to the Financial Statements

3 Tax on profit/loss for the year

Current tax for the year	-525.107	-455.385
	<u>-525.107</u>	<u>-455.385</u>

4 Fixed asset investments

	Other receiv- ables 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.

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:

	2020 DKK	2019 DKK
Other payables		
After 5 years	462.993	181.151
Long-term part	462.993	181.151
Other short-term payables	<u>1.213.520</u>	<u>747.702</u>
	<u>1.676.513</u>	<u>928.853</u>

6 Prepayments received from customers

As at 31.12.2020, cash includes customer funds received on 29.12.2020 and on 30.12.2020 for payments to be settled on 04.01.2021 and on 05.01.2021 respectively. This amounts to DKK 568.700 which is also presented under prepayments received from customers.

Notes to the Financial Statements

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, 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 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 2020 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 2020 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 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.