

Finans 247 ApS

Vester Voldgade 83,2, 1552 København

CVR no. 38 14 38 24

Annual report

for the year 1 January - 31 December 2021

Approved at the Company's annual general meeting on 8 July 2022

Chair of the meeting:

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Peter Ørding Andreasen

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Finans 247 ApS for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my 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.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 July 2022
Executive Board:

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Peter Ørding Andreasen
CEO

Independent auditor's report

To the shareholders of Finans 247 ApS

Opinion

We have audited the financial statements of Finans 247 ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 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.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 July 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised Public Accountant
mne33748

Management's review

Company details

Name	Finans 247 ApS
Address, Postal code, City	Vester Voldgade 83,2, 1552 København
CVR no.	38 14 38 24
Established	26 October 2016
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	www.lendomatic.com
E-mail	info@lendomatic.com
Telephone	+45 71 70 10 60
Executive Board	Peter Ørding Andreasen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Vendsyssel Sparekasse

Management's review

Financial highlights

DKK'000	2021 12 months	2020 12 months	2019 12 months	2018 12 months	2017 14 months
Key figures					
Revenue	57,067	107,836	141,097	85,457	0
Gross profit	49,974	76,084	98,906	23,885	4,933
Profit before interest and tax (EBIT)	30,614	42,387	43,618	18,610	2,321
Net financials	-16,826	-17,468	-15,764	-7,282	-1,508
Profit before tax	13,738	24,919	27,854	11,156	813
Profit for the year	10,248	20,254	21,726	8,694	631
Balance sheet					
Fixed assets	5,904	5,294	4,135	756	0
Non-fixed assets	210,600	206,751	182,109	117,930	46,784
Total assets	216,504	212,045	186,244	118,686	46,784
Equity	61,607	51,359	31,101	9,375	681
Non-current liabilities other than provisions	915	0	0	21,500	40,771
Current liabilities other than provisions	153,522	159,847	155,140	109,308	46,103
Financial ratios					
Return on assets	18.5%	30.5%	53.6%	64.2%	5.0%
Current ratio	137.2%	129.3%	117.4%	107.9%	101.5%
Equity ratio	28.5%	24.2%	16.7%	7.9%	1.5%
Return on equity	18.1%	49.1%	107.4%	172.9%	92.7%
Average number of full-time employees					
	18	29	29	11	6

For terms and definitions, please see the accounting policies.

Management's review

Business review

Finans 247 ApS provides affordable, easily and quickly accessible consumer finance products in Denmark for online customers who are inadequately served by the financial industry.

During August 2021 the Company received its license as Consumer Lending Business ("Forbrugslånsvirksomhed") from the Danish regulator.

Recognition and measurement uncertainties

The most significant uncertainty relates to the recognition and measurement of the Company's expected credit loss and its valuation of loan receivables. In 2020, a system-supported model was introduced. Based on the historical performance of closed loans, expected loss rates have been recalibrated and used for measuring expected loan losses based on behavioral and statistical evidence. This model has been used throughout 2021 and provides the basis for the loan loss provisions and measurement as of 31 December 2021. (See further regarding uncertainties under note 2).

Financial review

The income statement of 2021 shows a profit of DKK 10,248 thousand against a profit of DKK 20,254 thousand last year, and the balance sheet at 31 December 2021 shows an Equity of DKK 61,607 thousand.

2021 started out with monthly loan issuance being close to zero in line with the decisions implemented during 2020. While society was greatly impacted by the Covid-19 pandemic, the Company focused on reduction and control of risks, rather than growth.

During Q1 2021 new credit guidelines prepared by the Consumer ombudsman and the Danish Financial regulator in cooperation came into force. The guidelines amongst others specified the required verifications and documentation of clients cost items, when calculating their budgets and assessing if their financial situation is strong enough for the Company to offer them a loan (credit worthiness assessment).

These requirements were in line with previously published decisions by the Consumer ombudsman and was managed by the Company through an element of manual handling associated with every loan application. Based on the new guideline, a critical IT project began to re-create a fully digital loan application and credit assessment process, to re-establish the Company's core offering.

The new Client Journey was rolled into production in 2022.

The re-deployment of a fully digital loan application and credit assessment process in combination with continued focus throughout 2021 on automating and digitizing the entire value chain will provide a strong competitive position in the core market: Unsecured consumer loans up to DKK 50,000.

Knowledge resources

The Company's business model relies on highly digitized solutions to acquire and onboard customers, and to manage certain loan events and transactions. The IT infrastructure that supports these processes is therefore key, and system architects, front- and backend developers and Dev. Ops staff are critical resources. To ensure the Company's operations perform as intended and are resilient to potential adverse events, the company's IT infrastructure, resources and processes have been carefully documented, and all new code is thoroughly reviewed before being launched.

Management's review

Financial risks and use of financial instruments

The Company faces a number of risk factors that could potentially impact its future growth, activities, financial position and results. The description below is not exhaustive, but covers the most relevant risks.

Credit risk

As a lending company, the Company is naturally exposed to a level of credit risk. That risk is relatively high given that the Company specializes in providing smaller consumer finance loans without collateral. While the Company uses its technologies to minimize risk exposure and collect non-performing loans, it still faces a significant risk of losses on a portion of the loans it grants. This risk is reflected in the credit loss provisions, based on historic, behavioural and statistical evidence as at the date of the closing of the financial accounts.

Operational risk

The Company could theoretically be exposed to unforeseen losses due to inappropriate, inadequate or failed internal processes, people, system errors or external events. The Company's evolving risk management framework helps ensure proper safeguards are in place to protect the Company and its operations against such risks .

Liquidity and funding risk

The Company is funded via equity and debt instruments, and it is therefore exposed to liquidity risks were it not able to fulfil its payment obligation as they fall due.

Impact on the external environment

The Company provides affordable, easily and quickly accessible consumer finance products in Denmark for online customers who are inadequately served by the financial industry.

The Company has therefore assessed that its operations does not constitute activities that require it to report on impact on the external environment.

Research and development activities

The Company's internal research and development activities are directed at key areas where the Company can most clearly differentiate itself from its competitors, such as: digitizing and automating its processes; deploying machine learning solutions to perform credit assessments of its customers; and combining several unrelated systems, sources of data and services into clear, transparent and user-friendly loan products and loan processes for its users. The Company also leverages external partnerships and capabilities to further improve its services, including for its client acquisition, credit decisioning and loan-delivery systems, as well as its payment infrastructure.

Statutory CSR report

The Company has not drawn up any CSR policy.

The Company provides affordable, easily and quickly accessible consumer finance products in Denmark for online customers who are inadequately served by the financial industry.

The Company has made a risk assessment of its activities, and no material risks within corporate social responsibility were identified. Therefore, policies involving social and employee conditions, environment, climate, human rights and anti-corruption are not prepared.

Management's review

Account of the gender composition of Management, cf. §99b

As the Company's management comprise of one executive and no Board of directors, no target figures and policies for the gender composition cf., the Act of Gender Equality has been set.

Furthermore, as the Company has below 50 employees a policy for the gender compositions in other managerial position have not been prepared.

Data ethics

The use of data is at the centre of the Company's operations. The Company only uses data from the clients themselves, trusted 3rd part data provides and publicly available data, and has policies, processes, and IT systems in place to ensure compliance with existing regulations.

On this basis the Company has made a risk assessment of its activities related to data ethics, and no material risks within this area were identified. Therefore, no data ethics policy has been prepared.

Events after the balance sheet date

No events that could materially affect the Company's financial position have occurred in the period up to the presentation of the annual report.

Outlook

At a group level a strategic decision was taken early 2021 to apply for a larger license in Sweden, to allow deposit-taking in addition to issuing loans.

This has been a focus area throughout 2021 at group level and it is expected that late Q3/early Q4 2022 the license in Sweden will be obtained. Once that happens, the Danish business will be transformed, with the active part of Finans 247 ApS becoming part of this and operating under this license.

The rest of Finans 247 ApS will become a run-off company with no new activities.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
3	Revenue	57,067	107,836
	Other operating income	261	754
	Other external expenses	-7,354	-32,506
	Gross profit	49,974	76,084
4	Staff costs	-8,427	-13,527
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,652	-1,139
	Other operating expenses	-9,281	-19,031
	Profit before net financials	30,614	42,387
6	Financial income	66	12
	Write-down on investments	-50	0
7	Financial expenses	-16,892	-17,480
	Profit before tax	13,738	24,919
	Tax for the year	-3,490	-4,665
	Profit for the year	10,248	20,254

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Completed development projects	4,392	3,236
	Goodwill	212	307
	Development projects in progress and prepayments for intangible assets	1,002	602
		<u>5,606</u>	<u>4,145</u>
9	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	284	354
	Leasehold improvements	14	80
		<u>298</u>	<u>434</u>
10	Investments		
	Investments in group enterprises	0	50
	Deposits, investments	0	665
		<u>0</u>	<u>715</u>
	Total fixed assets	<u>5,904</u>	<u>5,294</u>
	Non-fixed assets		
12	Receivables		
	Trade receivables	207,727	204,261
	Receivables from group enterprises	3	310
	Other receivables	90	225
11	Prepayments	560	722
		<u>208,380</u>	<u>205,518</u>
	Cash	2,220	1,233
	Total non-fixed assets	<u>210,600</u>	<u>206,751</u>
	TOTAL ASSETS	<u>216,504</u>	<u>212,045</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	50	50
	Reserve for development costs	4,510	3,296
	Retained earnings	57,047	48,013
	Total equity	61,607	51,359
	Provisions		
14	Deferred tax	460	839
	Total provisions	460	839
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	915	0
		915	0
	Current liabilities other than provisions		
	Short-term part of long-term liabilities other than provisions	11,300	18,500
	Trade payables	974	1,180
	Payables to group enterprises	120,432	120,782
	Corporation tax payable	8,155	3,833
	Other payables	12,661	15,552
		153,522	159,847
	Total liabilities other than provisions	154,437	159,847
	TOTAL EQUITY AND LIABILITIES	216,504	212,045

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 15 Deferred income
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting
- 20 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at				
	1 January 2021	50	3,296	48,013	51,359
20	Transfer, see "Appropriation of profit"	0	1,214	9,034	10,248
	Equity at				
	31 December 2021	50	4,510	57,047	61,607

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Finans 247 ApS for 2021 has been prepared in accordance with the Danish Financial Statements Act applying to reporting class D entities. The annual report prior year was prepared in accordance with the provisions applying to reporting class C entities.

Comparative figures for prior year have been corrected in order to give an correct comparative. This has not had any effect on profit/loss or equity in prior year.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Finans 247 Holding ApS.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

Revenue comprises interest and fees related to loans. Income is accrued over the period to which it relates and is included in the income statement at the amounts relating to the accounting period concerned.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
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Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 3 and 5 years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

2 Recognition and measurement uncertainties

The most significant uncertainty in the financial figures relates to the recognition and measurement of the Company's loan loss provisions and its impact on the valuation of loan receivables. At the end of 2021 the loan loss provisions were re-calculated based on the Company's proprietary credit model. The credit model incorporates the historical performance of closed loans, behavioural and statistical evidence, and effective loan life-cycles and is used for estimating expected loan losses, reflected in loan loss provisions for the balance sheet date. The model was implemented at the end of 2020 and is continuously updated based on the evolution of client and economic conditions.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Segment information

Revenue is only from loan-activity to customers located in Denmark.

DKK'000	2021	2020
4 Staff costs		
Wages/salaries	7,179	11,701
Pensions	595	1,040
Other staff costs	653	786
	<u>8,427</u>	<u>13,527</u>
	<u>2021</u>	<u>2020</u>
Average number of full-time employees	<u>18</u>	<u>29</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Part of the remuneration to the Company's Executive Board is paid by the shared service fee's.

5 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	1,415	825
Impairment of intangible assets	13	0
Depreciation of property, plant and equipment	221	263
Impairment of property, plant and equipment	3	51
	<u>1,652</u>	<u>1,139</u>

6 Financial income

Other financial income	66	12
	<u>66</u>	<u>12</u>

DKK'000

7 Financial expenses

Interest expenses, group entities	14,562	12,581
Exchange losses	7	19
Other financial expenses	2,323	4,880
	<u>16,892</u>	<u>17,480</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Completed development projects	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2021	4,067	387	602	5,056
Additions	2,489	0	1,001	3,490
Disposals	0	0	-601	-601
Cost at 31 December 2021	6,556	387	1,002	7,945
Impairment losses and amortisation at 1 January 2021	831	80	0	911
Impairment losses for the year	0	13	0	13
Amortisation for the year	1,333	82	0	1,415
Impairment losses and amortisation at 31 December 2021	2,164	175	0	2,339
Carrying amount at 31 December 2021	4,392	212	1,002	5,606
Amortised over	3-5 years	3 years		

Completed development projects

In 2021 a total of DKK 601 thousand has been activated that related to projects that were in existence at the beginning of the year and put into production during 2021 (maintaining the existing amortization period) and a total of DKK 1,888 thousand has been activated that relate to projects that were started, developed and implemented during 2021.

Development projects in progress

A total of DKK 1,002 thousand relate to two projects that were active per 31 December 2021 but not yet finalized and therefore not put into production:

- ▶New application scoring model and
- ▶New digital and fully automated Client Journey (loan and credit assessment)

Both were finalized and put into production in Q1/2022.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	773	112	885
Additions	145	16	161
Disposals	0	-112	-112
Cost at 31 December 2021	918	16	934
Impairment losses and depreciation at 1 January 2021	419	32	451
Impairment losses	0	3	3
Depreciation	215	6	221
Reversal of accumulated depreciation and impairment of assets disposed	0	-39	-39
Impairment losses and depreciation at 31 December 2021	634	2	636
Carrying amount at 31 December 2021	284	14	298
Depreciated over	3-5 years	5 years	

10 Investments

DKK'000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2021	50	665	715
Disposals	0	-665	-665
Cost at 31 December 2021	50	0	50
Impairment losses	-50	0	-50
Value adjustments at 31 December 2021	-50	0	-50
Carrying amount at 31 December 2021	0	0	0

Name	Interest	Equity DKK'000	Profit/loss DKK'000
Lån Penge ApS	100%	-126,542	-195,519

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years related to the operation of the Company, DKK 559,664 (2020: DKK 721,731).

12 Receivables

The Company's loan receivables comprise of loan receivables before write-off, DKK 279,709 thousand, and write-off of DKK 73,147 thousand.

13 Share capital

The Company's share capital has remained DKK 50 thousand in the past year.

Financial statements 1 January - 31 December

Notes to the financial statements

14 Deferred tax

Deferred tax relates to timing differences between taxable treatment of depreciation and amortization of intangibles compared to accounting treatment of depreciation and amortization of intangibles.

15 Deferred income

Deferred income, DKK 140,691 (2020: DKK 513,803), consists of payments received from customers that may not be recognised until the subsequent financial year.

16 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Finans 247 Holding A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other financial obligations

Other rent liabilities:

DKK'000	2021	2020
Rent liabilities	803	2,138

Rent liabilities include a rent obligation in interminable rent agreements with remaining contract terms of 6 months.

17 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

Financial statements 1 January - 31 December

Notes to the financial statements

18 Related parties

Finans 247 ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Finans 247 Holding A/S		Participating interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Finans 247 Holding A/S	Copenhagen	https://lendomatic.com/investor-relations/#financial-information

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

	<u>2021</u>	<u>2020</u>
DKK'000		
19 Fee to the auditors appointed by the Company in general meeting		
Total fees to EY	593,000	308,700
Statutory audit	460,000	290,000
Assurance engagements	11,000	10,500
Tax assistance	9,000	8,200
Other assistance	113,000	0
	<u>593,000</u>	<u>308,700</u>
DKK'000	<u>2021</u>	<u>2020</u>
20 Appropriation of profit		
Recommended appropriation of profit		
Transfer of the year to reserve for development costs	1,214	3,296
Retained earnings	9,034	16,958
	<u>10,248</u>	<u>20,254</u>

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Peter Ørding Andreasen

Client Signer

På vegne af: Finans 247 ApS

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Thomas Hjortkjær Petersen

EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

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