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LENDING LAB APS
C/O FLEX FUNDING A/S, LILLE FREDENSVEJ 13 1., 2920 CHARLOTTENLUND
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 June 2024**

Ernst Ulrik Bayer

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COMPANY DETAILS

Company	Lending Lab ApS c/o Flex Funding A/S, Lille Fredensvej 13 1. 2920 Charlottenlund CVR No.: 39 83 32 47 Established: 3 September 2018 Municipality: Gentofte Financial Year: 1 January - 31 December
Board of Directors	Ernst Ulrik Bayer, chairman Svend Aage Linde Martin Nymark Hansen Henrik Vad
Executive Board	Henrik Vad
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Lending Lab ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Charlottenlund, 31 May 2024

Executive Board

Henrik Vad

Board of Directors

Ernst Ulrik Bayer
Chairman

Svend Aage Linde

Martin Nymark Hansen

Henrik Vad

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Lending Lab ApS

Opinion

We have audited the Financial Statements of Lending Lab ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and 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.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

We draw attention to note 9, which describes the material uncertainty associated with the valuation of the intangible assets of DKK 16,9 M. Our conclusion has not been modified regarding this matter.

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 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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

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

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

Aarhus, 31 May 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jonas Lund Jacobsen
State Authorised Public Accountant
MNE no. mne46611

MANAGEMENT COMMENTARY

The Company's main activities

Lending Lab ApS (formerly Flex Funding Fintech ApS) was founded in 2018, and this is the Company's fifth annual report.

Lending Lab ApS owns and continues to develop an IT platform to be used for crowdlending activities. The main customer is the parent company which leases the platform for commercial use. Customers pay a fixed leasing fee per license to the company.

Financial development

Profit after tax is DKK -3.801.924 for the period 1 January - 31 December 2023. This is in line with Management's expectations and the strategic plan that has been decided for the Flex Funding group. This includes IT-development for the past three years with significant investments in a new crowdlending platform.

The value of the company's intangible fixed assets lies in the capitalized development costs associated with the IT platform. The uncertainty surrounding future earnings linked to this platform is considerable. Despite this uncertainty, the Management believes that the value of the development costs reasonably reflects the company's potential to secure future revenue and earnings.

Capital and liquidity resources

Based on funding commitments from the parent company, it is Management's expectation that the company has sufficient funding to continue its operation in 2024.

Recognition and measurement uncertainty

There is significant uncertainty regarding recognition and measurement of the company's IT platform. Please refer to note 9 for additional details.

Events after closing of the financial year

In March debt of DKK 17.4m was converted to equity.

In March all customers of Lending Lab were successfully migrated to the new crowdlending platform.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS LOSS		-640.091	-632.523
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-2.787.306	-2.787.304
OPERATING LOSS		-3.427.397	-3.419.827
Income from investments in		0	-288.924
Other financial income.....		383	394
Other financial expenses.....	2	-374.910	-506.985
LOSS BEFORE TAX		-3.801.924	-4.215.342
Tax on profit/loss for the year.....	3	0	90.138
LOSS FOR THE YEAR		-3.801.924	-4.125.204
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-3.801.924	-4.125.204
TOTAL		-3.801.924	-4.125.204

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed, including patents and similar rights originating from development projects.....		8.208.033	10.995.339
Development projects in progress and prepayments for intangible assets.....		8.685.462	7.212.238
Intangible assets.....	4	16.893.495	18.207.577
NON-CURRENT ASSETS.....		16.893.495	18.207.577
Other receivables.....		0	351.007
Receivables.....		0	351.007
Cash and cash equivalents.....		8.197	3.030
CURRENT ASSETS.....		8.197	354.037
ASSETS.....		16.901.692	18.561.614
EQUITY AND LIABILITIES			
Share Capital.....		60.000	50.000
Reserve for development costs.....		16.893.496	0
Retained earnings.....		-18.359.270	-7.653.850
EQUITY.....		-1.405.774	-7.603.850
Payables to group enterprises.....		671.559	26.105.320
Non-current liabilities.....	5	671.559	26.105.320
Bank debt.....		32.621	0
Trade payables.....		63.610	60.144
Debt to Group companies.....		17.467.568	0
Other liabilities.....		72.108	0
Current liabilities.....		17.635.907	60.144
LIABILITIES.....		18.307.466	26.165.464
EQUITY AND LIABILITIES.....		16.901.692	18.561.614
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EQUITY

DKK	Share Capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023.....	50.000	18.207.578	-25.861.428	-7.603.850
Proposed profit allocation.....			-3.801.924	-3.801.924
Transactions with owners				
Capital increase.....	10.000			10.000
Other legal bindings				
Capitalized development costs.....		1.797.333	-1.473.224	324.109
Transfers				
Retained premium.....			9.990.000	9.990.000
Depreciations.....		-2.787.306	2.787.306	0
Tax on changes in equity.....		-324.109		-324.109
Equity at 31 December 2023.....	60.000	16.893.496	-18.359.270	-1.405.774

NOTES

	2023 DKK	2022 DKK	Note	
Staff costs			1	
Average number of full time employees	0	0		
Other financial expenses			2	
Interest expenses to group enterprises.....	343.683	501.004		
Other interest expenses.....	31.227	5.981		
	374.910	506.985		
Tax on profit/loss for the year			3	
Calculated tax on taxable income of the year.....	0	-90.138		
	0	-90.138		
Intangible assets			4	
		Development projects completed, including patents and similar rights originating from development projects	Development projects in progress and prepayments for intangible assets	
DKK				
Cost at 1 January 2023.....	25.411.038	7.212.238		
Additions.....	0	1.473.224		
Cost at 31 December 2023.....	25.411.038	8.685.462		
Amortisation at 1 January 2023.....	14.415.699	0		
Amortisation for the year.....	2.787.306	0		
Amortisation at 31 December 2023.....	17.203.005	0		
Carrying amount at 31 December 2023.....	8.208.033	8.685.462		
Long-term liabilities			5	
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Payables to group enterprises.....	18.139.127	17.467.568	671.559	26.105.320
	18.139.127	17.467.568	671.559	26.105.320

NOTES

	Note
Contingencies etc.	6
Joint liabilities The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc. Tax payable on the Group's joint taxable income is stated in the annual report of FLEX FUNDING A/S, which serves as management Company for the joint taxation.	
Charges and securities The assets of the company have been pledged to Vækstfonden as part of a loan agreement up the amount of 10 mio. kr.	7
Assumptions for continued operations The company's equity is negative by 1.405.774 DKK as of December 31, 2023, of which the share capital amounts to 60.000 DKK. Therefore, the company has lost more than half of its share capital and is subject to the rules on capital losses in the Danish Companies Act. The company's share capital has subsequently been reestablished through an increase in capital on January 8th 2024. The company has received a letter of support from Linde Holding ApS regarding the financing of continued operations in the coming 12 months.	8
Information on significant uncertainties at recognition and measurement The company's intangible fixed assets consist of capitalized development cost related to the group's IT platform. The Platform developed is essential for the Flex Funding activities and is servicing also some external white label partners. The platform developed is prepared for application also internationally. There is significant uncertainty associated with future earnings based on the developed Platform - but with the Groups intention to expand significantly the number of white label partners as well as the plan to expand internationally the Management assesses that the value of the development costs for the company represents fairly the value for the company to secure future revenue/earnings.	9

ACCOUNTING POLICIES

The Annual Report of Lending Lab ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Revenue consists of leasing fees and is measured at fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include administrative costs etc.

Income from investments in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. Resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses

Financial income and expenses include interest income and expenses. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Intangible assets are measured at the lower of cost less accumulated amortisation 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.

The basis of amortisation, 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 capitalised development costs are 4-6 years.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

The amortised cost of current liabilities corresponds usually to the nominal value.