Flex Funding A/S

Lille Fredensvej 13, 1. 2920 Charlottenlund

Denmark

CVR-no. 25 61 99 78

Annual report 2022

Approved at the Company's annual general meeting in 26-06-2023

Chairman at the meeting:

.....
Ulrik Bayer

Penneo dokumentnøgle: HD2PL-6U4XK-P2LCS-426I8-4BZGA-4071P

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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Flex Funding A/S for the financial year 1 January - 31 December 2022.

The annual report has been 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 on 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Charlottenlund, 26-06-2023

Executive Board:

……
Henrik Vad
CEO

Board of Directors:

……	……
Christian Lundgaard	Svend Aage Linde
Chairman	

……
Henrik Vad

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Independent auditor's report

To the shareholders of Flex Funding A/S

Opinion

We have audited the financial statements of Flex Funding A/S for the financial year 01.01.22 – 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.22 – 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

Highlighting of matters in the financial statements

We refer to note 6 for a description of capital and liquidity resources.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 26.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Oldau Gjelstrup
State Authorised Public Accountant
Identification No (MNE) mne10777

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Company details

Name	Flex Funding A/S
Address	Lille Fredens Vej 13, 1.
Postal Code	2920
City	Charlottenlund
CVR.no:	25 61 99 78
Established	5. December 2013
Registered Office	Charlottenlund
Financial Year	1. January to 31. December
Website:	www.Flexfunding.com
Email:	info@flexfunding.com
Telephone.	+45 8987 6060
Board of Directors	Christian Lundgaard – Chairman Svend Aage Linde Henrik Vad
Executive Board:	Henrik Vad, CEO
Auditors:	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S Denmark

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Management's review

Flex Funding A/S

Flex Funding operates a marketplace lending platform (P2P) that allows investors to lend money directly to SMEs, without holding loans on our own balance sheet. With a market share of more than 75 percent, Flex Funding A/S has become the largest marketplace lender for SMEs in Denmark, where SME borrowers benefit from fast, flexible, and competitively priced SME loans. The proprietary platform is offered in our own brand and via partnerships (white label and joint venture). The partners gain access to the Flex Funding ecosystem with all the benefits that come with a common marketplace and lending capacity from private, institutional, and public sources.

Flex Funding is backed by Vækstfonden (VF) as well as the European Investment fund (EIF) directly as lenders or as guarantors.

In addition, Flex Funding offers a secondary marketplace where lenders can buy and sell loan parts.

Stellar performance
Flex Funding has more than 8 years' proven track record with strong loan origination volume growth. The historical returns for investors are a stellar performance. DKK 100 invested and reinvested in all loans since our launch in 2015 has been increased to DKK 148 after losses and costs at the end of 2022. Compared with benchmark the European High Yield Index, the value of the index has increased to DKK 104 (before costs). The annualized losses are as low as 0,41%. All data regarding Flex Funding are verified by LoanClear (formerly Brismo).

Return data verified by Brismo/ LoanClear:

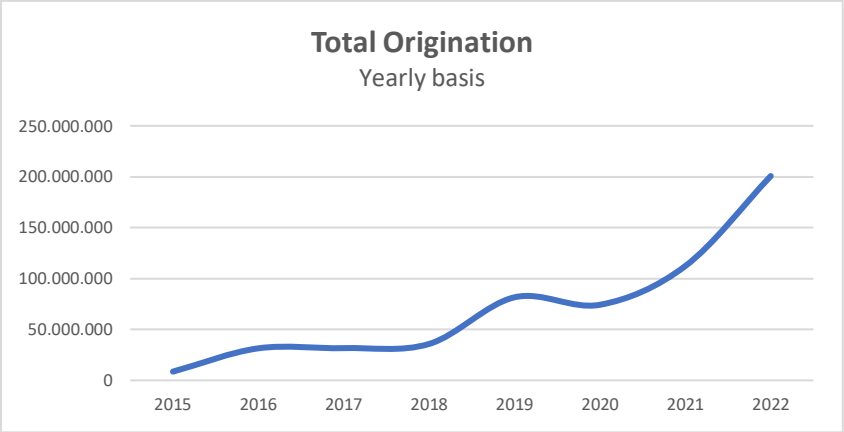
- CAGR (Compound Annual Growth Rate) since inception has been 5,05%, which has been generated at a standard deviation of monthly returns of 2,29%.
- The maximum drawdown of returns from prior high has been 1,25% (Oct 2022).

Flex Funding's unique Ecosystem
During the past years Flex Funding has invested in expanding the loan platform to a flexible platform for white label and joint venture partners with our unique eco-system with common marketplaces, risk assessment, FSA-license, and lending capacity. The concept has proven its worth with the number of partners already onboard.

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2023 – Outlook

Flex Funding has seen an increase in origination of nearly 80%, with origination reaching 200 million DKK in 2022 – with almost 100 million DKK coming from loans under the guarantee agreement with the EGF (*Now EIF*). The origination has been on an upwards trajectory since inception – with a down year in 2020 due to Covid-19.



To increase the lending capacity of the Flex Funding Ecosystem – Flex Funding has set up an AIFM (*Alternative Investment Fund Manager*) – Flex Funding Invest and two AIFs (*Alternative Investment Fund*) – Flex Invest Garanti *(FIG)* and Flex Garanti II (*FG2).*

The establishment of the AIFs is supposed to support further growth in origination. However, the Fund's primary purpose is to invest in the new InvestEU guarantee scheme that Flex Funding expects close negotiations with within the first half of 2023. This agreement will grant Flex Funding a guarantee framework of up to 400 mDKK with a variable loss guarantee from the EIF from 30% to 70 and expected to be placed in FG2.

FG2 expects to get commitments from institutional and private investors from the end of the first half to second half of 2023 whereafter the investment period will begin, and the funds will be deployed into EIF backed loans on Flex Fundings platform.

A new start

Flex Funding has been working on a new platform for almost two years, and it was launch in in February 2023. The new platform will bring a new and more agile setup and a more scalable and versatile solution, the platform are able to handle multiple currencies and markets at the same time.

Launching the new platform is a part of the management's strategic plans. The ambition is to expand the Flex Funding brand past the geographical borders of Denmark and launch the platform in Sweden, Norway, and Finland. In addition, the plan is to cement the Flex Funding brand as one of Nordic countries' leading crowdlending platforms and alternative lenders.

In 2020 EU put forward new legislation that would help small businesses and investors by giving them more financing and investment opportunities – by allowing crowdfunding platforms to operate within the EU with a single authorization, which enables platforms such as Flex Fundings to scale and expand their platform and services across the EU more easily.

Flex Funding expects to apply for the new crowdfunding license in Q2 of 2023, marking a new and exciting chapter for the business venture.

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Flex Funding has invested in upgrading the platform. The new platform will be launched in February 2023. The upgrade will ensure that Flex Funding is capable of handling more currencies, new products and will allow for the integration of API-based solutions.

The new platform is the foundation of the internationalization of the Flex Funding concept. It is especially important to show that the new platform is capable of handling 3 individual markets with 3 different currencies. The versatility of the platform has been in demand from the potential buyers of the software/platform itself.

The loans with a EIF-guarantee is an especially attractive investment for institutional investors. Flex Fundings products generate a higher return on investment than our counterparts compared to benchmark products such as 'High Yield Corporate Bonds'.

Financial review
The income statement for 2022 shows a loss before tax of 19.5 mDKK, against a loss before tax of 7.3 mDKK the previous year, and the balance sheet on 31 December 2022 shows equity of 3.6 mDKK. This is in line with the strategic plan for the company and with Management's expectations.

It is a strategic decision continuing to invest in developing the IT-platform and in growth entering new markets. A number of key employees have been hired to ensure the organization ready to cope with a significant growth in the coming years.

Capital and liquidity resources
The company is working within the FinTech sector and are in a growth phase, where the budgets depend on the realization of the management's plans for several future initiatives, including growth initiatives. The development requires resources for system development, product development and marketing. The day-to-day operations cannot finance the development and therefore the company is dependent on continued capital and liquidity. Based on funding commitments, it is Management's expectation that the company has sufficient funding to continue its operation in 2023.

Subsequent events
In the period from year-end until approval of the annual report, no subsequent events of a significant nature have occurred

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Financial statements 1 January – 31 December

Income Statement

Note	DKK	2022	2021
	Gross profit / loss	**-4.675.761**	**-2.108.239**
2	Staff costs	-9.381.342	-4.283.822
	Depreciation property, plant, and equipment	65.394	-18.453
	Profit / loss before net financial	**-13.991.709**	**-6.410.514**
	Income from investments in group companies	-3.785.386	-1.313.579
	Financial income	1.315.438	401.538
	Financial expenses	-2.979.268	-1.524.612
	Profit / loss before tax of the year	**-19.440.925**	**-8.847.167**
	Company tax	-93.233	1.581.698
	Profit / loss after taxes	**-19.534.158**	**-7.265.470**
	Recommended Appropriation of loss		
	Retained earnings	-19.534.158	-7.265.470
	Total	**-19.534.158**	**-7.265.470**

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Balance sheet

Note	DKK	2022	2021
	Assets		
	Non-current assets		
	Property, plant, and equipment		
	Fixtures and fittings, plant, and equipment	139.564	0
	Total non-current assets	**139.564**	**0**
	Financial assets		
	Investments in group companies	2.851.728	29.728
3	Receivables from group companies	38.805.480	19.891.396
	Deposits, investments	138.980	138.980
	Total finacial assets	**41.796.188**	**20.060.104**
	Total non-current assets	**41.935.752**	**20.060.104**
	Current assets		
	Receivables		
	Other receivables	37.356	5.589.624
	Prepayments	302.204	23.334
	Total Receivables	**339.560**	**5.612.958**
	Cash	**1.367.325**	**1.740.972**
	Total Current assets	**1.706.885**	**7.353.930**
	Total Assets	**43.642.637**	**27.414.035**

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Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2022	2021
	Liabilities		
	Equity		
	Share capital	9.034.192	3.484.193
	Share premium account	0	0
	Retained earnings	-5.472.067	-1.287.910
	Total equity	**3.562.125**	**2.196.283**
	Convertible debt instruments	2.000.307	1.561.159
	Other credit institutions	16.788.126	13.726.451
	Payables to group companies	22.755	0
4	**Total non-current liabilities**	**18.811.188**	**15.287.610**
	Current liabilities		
	Convertible debt instruments	409.126	182.155
	Other credit institutions	17.042.945	6.969.726
	Trade payables	1.649.847	1.248.017
	Other payables	2.167.406	1.530.243
	Total Current liabilities	**21.269.324**	**9.930.141**
	Total liabilities	**40.080.512**	**25.217.751**
	Total equity and liabilities	**43.642.637**	**27.414.035**

5 Contractual obligations and contingencies, etc.

6 Capital and liquidity resources

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 31 December 2020	3.202.697	4.800.003	-4.742.868	3.259.832
Profit / loss for the year	0	0	-7.265.470	-7.265.470
Equity at 31. December 2021	**3.484.193**	**0**	**-1.287.909**	**2.196.284**
2022				
Capital increase	5.549.999	15.350.001	0	20.900.000
Purchase of own shares	0	0	-1	-1
Transferred from share premium account	0	-15.350.001	15.350.001	0
Profit / loss for the year	0	0	-19.534.158	-19.534.158
Equity at 31 December 2022	**9.034.192**	**0**	**-5.472.067**	**3.562.125**

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Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Flex Funding A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at the exchange rate on the transaction date, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Corrections of significant errors

The correction highlights the removal of the post ‘Other securities and investment’ from the financial assets category in the balance sheet. The correction has been made due to sum of post ‘Other securities and investment’ in reality is equivalent to a liquid financial item and is therefore now incorporated in the post ‘Cash’ in the current asset section. The sum of ‘Total assets’ remains unchanged. The sum of ‘Other securities and investment’ in 2021 totaled 511.452 kr.

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Financial statements 1 January – 31 December

1 Accounting policies (continued)

Income statement

Revenue

Revenue that consists of rendering service and consultancy service 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 recognized in revenue.

Establishment fees are recognized as income when the contract between the investor(s) and the loan recipient has been concluded. The service is considered to be rendered when the contract has been signed. Provision fees are recognized as income over time as the service is provided. Income from consultancy services is recognized in revenue as the service is provided.

Gross margin

The items revenue, other operating income and external expenses and cost of sales have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

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

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

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.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognized in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

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1 Accounting policies (continued)

Depreciation

Fixed assets

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

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized. In case of changes in the residual value, the effect on depreciation charges is recognized prospectively as a change in accounting estimates.

Income from investments in subsidiaries

A proportionate share of the underlying entities' profit/ loss after tax as well as impairment of receivables from subsidiaries as a result of negative equity is recognized in the income statement according to the equity method. Shares of profit/ loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognized 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 recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

Balance sheet

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.

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Financial statements 1 January – 31 December

1 Accounting policies (continued)

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e., plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealized intra-group gains/ losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognized in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognized in the income statement under "Net financials".

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries 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 recognized impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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Financial statements 1 January – 31 December

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

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

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.

Equity
Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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.

Convertible loans
Convertible loans are broken down into a liability element and an equity element based on the relevant instrument of debt. On initial recognition, the liability is recognised at the fair value of a similar liability without a conversion right. The remaining amount of the convertible loan is recognised as equity. On subsequent recognition, the liability is measured at amortised cost until converted or repaid. The equity element is not re measured after initial recognition.

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Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2022	2021
Wages and salaries	8.998.713	3.907.578
Pensions	40.000	27.634
Other Social Security costs	75.524	45.566
Other staff costs	267.105	303.045
	9.381.342	**4.283.822**
Average number of full-time employees	13	8

3 Receivables from group companies

Receivables from group companies relate to investments in the IT-platform used by Flex Funding A/S.

Flex Funding A/S has issued a statement to the subsidiary, in which it confirms that Flex Funding A/S will not request payment of outstanding amounts until the subsidiary has sufficient liquidity for such payment taking into consideration other liabilities as well.

4 Non-current liabilities

Of the long-term liabilities, DKK 18.713,5 t.kr. (2021: DKK 15.287,6 t.kr.) falls due for payment between 2-5 years after the balance sheet date, and DKK 97,7 t.kr. (2021: DKK 0 mill.), falls due for payment after more than 5 years.

5 Contractual obligations and contingencies, etc.

Other financial obligations

Rent commitments total DKK 85 thousand (2021: DKK 85 thousand) under a rent agreement with a remaining term of 4 months.

The assets of the company have been pledged to Vækstfonden as part of a loan agreement up to the amount of 10 mill. kr. (Virksomhedspant).

The Company is jointly taxed with its subsidiary, Lending Lab ApS. As administration company, the Company has unlimited joint and several liability for payment of Danish corporation taxes. The jointly taxed entities' total known net liability in respect of corporation taxes payable amounted to DKK 0 on 31 December 2022. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

6 Capital and liquidity resources

The company is working within the FinTech sector and is in a growth phase, where the budgets depend on the realization of the management's plans for several future initiatives, including growth initiatives. The development requires resources for system development, product development and marketing. The day-to-

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day operations cannot finance the development and therefore the company is dependent on continued capital and liquidity from external sources.

Flex Funding is in an ongoing dialogue with potential investors.

Based on funding commitments, it is Management's expectation that the company has sufficient funding to continue its operation in 2023.

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