Fellowmind Denmark A/S

Rosenørns Alle 1, DK-1970 Frederiksberg C

Annual Report for 1 January - 31 December 2022

CVR No 25 79 09 36

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/6 2023

Martin Norrbom Sams
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fellowmind Denmark A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

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

Copenhagen, 30 June 2023

Executive Board

Max Sejbæk CEO	Mikkel Aude

Board of Directors

Martin Norrbom Sams Chairman	Jesper Refning Larsen	Max Sejbæk
Niels Tasior Kodal		

Independent Auditor's Report

To the Shareholder of Fellowmind Denmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fellowmind Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor’s Report

in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Company Information

The Company	Fellowmind Denmark A/S Rosenørns Alle 1 DK-1970 Frederiksberg C Telephone: + 45 82 32 32 32 Website: www.fellowmindcompany.com CVR No: 25 79 09 36 Financial period: 1 January - 31 December Municipality of reg. office: Frederiksberg
Board of Directors	Martin Norrbom Sams, Chairman Jesper Refning Larsen Max Sejbæk Niels Tasior Kodal
Executive Board	Max Sejbæk Mikkel Aude
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	513,618	376,098	328,949	279,578	228,351
Gross profit/loss	309,101	226,312	213,141	177,093	148,942
Profit/loss before financial income, financial expenses, depreciation and amortization (EBITDA)	16,179	31,007	36,898	27,714	7,472
Profit/loss before financial income and expenses	6,716	25,288	31,456	22,801	2,888
Net financials	-334	-167	42	-104	-82
Net profit/loss for the year	4,738	19,647	24,431	17,523	2,148
Balance sheet					
Balance sheet total	186,602	121,093	111,283	75,231	68,778
Equity	46,199	35,259	39,613	24,585	9,191
Investment in property, plant and equipment	797	653	-356	-58	186
Number of employees	381	266	243	219	210
Ratios					
Gross margin	60.2%	60.2%	64.8%	63.3%	65.2%
Profit margin	1.3%	6.7%	9.6%	8.2%	1.3%
Return on assets	3.6%	20.9%	28.3%	30.3%	4.2%
Solvency ratio	24.8%	29.1%	35.6%	32.7%	13.4%
Return on equity	11.6%	52.5%	76.1%	103.8%	22.4%

The financial ratios have been calculated as described in Accounting Policies.

Intragroup business combinations are accounted for using the pooling-of-interests method and comparative figures have not been restated

Management's Review

Business activities and mission

At Fellowmind we aim to create meaningful connections. Making people enjoy working with technology and making technology work for them. That's what we promise our customers.

We help accelerate the digital readiness of customers in various industries by using Microsoft cloud solutions, encouraging agile development, implementing integrated platforms, and assisting end-users to learn and adopt.

Our goal is to make people enjoy working with technology and make technology work for them. The people who work at Fellowmind love to dive deep into the challenges and ambitions that keep customers up at night. They are passionate companions in finding solutions that put people at heart.

Today's digital reality has changed the fundamentals of how business is conducted. We help our customers keep pace with constantly changing customer demands and link to rich networks of possibility by expanding their influence across the entire business. We help them discover their full potential by becoming a connected company.

The group delivers a full-scale offering of services in, among other things, the implementation of business applications, IT for workplaces, infrastructure and application operations, cloud services and digitalization.

We serve our customers based on five key areas being Customer Engagement, Optimize Operations, Cloud & Security, Data & Analytics and Modern Work, and are a leading European Microsoft partner.

Fellowmind Denmark A/S is wholly owned subsidiary of Fellowmind Holding AB in Sweden. The company's activities consist of supplying the above services to primarily Danish customers.

Business review and development in the year

The income statement of the Company for 2022 shows a profit of DKK 4,737,900, and at 31 December 2022 the balance sheet of the Company shows equity of DKK 46,199,252.

The Company realized a growth in turnover to TDKK 513,618 in 2022 from TDKK 376,098 in 2021. The turnover was positively affected by strong organic growth and by the merger with Fellowmind Denmark II A/S (formerly Daxiomatic ApS) and was in line with expectations stated in the 2021 Annual Report.

The Company realized an EBITDA of TDKK 16,179 and a result after tax of TDKK 4,738. The realized EBITDA and result after tax reflects the growth and the investments made into expanding new business areas, which will prove a solid platform for future development.

Management's Review

Expectations for the future

The Management and Board of Directors hold a positive outlook for the year 2022, supported by various factors contributing to the company's growth. Notably, a highly skilled workforce, a solid contractual base, a robust pipeline, and a favorable market position all contribute to our expectations of a favorable financial outcome.

Based on our projections, we anticipate achieving an EBITDA in the range of MDKK 60-75 and a turnover between MDKK 700-750. These figures reflect the combined impact of strong organic growth and the successful merger with Fellowmind Denmark III A/S (previously known as CESCOM).

Research and development

The Company has dedicated significant time and resources towards developing its own proprietary products and services, intended for sale through licensing and subscription models. The Company holds high expectations regarding the future value of this business model, and the user base continues to expand rapidly.

Unusual risks

Fellowmind Denmark A/S has undergone assessment and it has been determined that the company is not exposed to any exceptional risks, including operational and financial risks, beyond those commonly associated with its industry.

Knowledge resources

Based on the assessment conducted, it has been determined that Fellowmind Denmark A/S does not possess any distinctive knowledge resources, beyond the customary resources typically found within its industry.

Statutory statement on corporate responsibility, cf. §99a

For a description of our business model, please refer to the section regarding business activities and mission.

Environment

As a company, operating within the IT-industry, Fellowmind has an impact on GHG emissions within Scope 1 (from sources that are owned and controlled by Fellowmind, including fuel consumption from leased cars), Scope 2 (resulting from the generation of electricity, heat or steam, purchased by Fellowmind) and Scope 3 (from sources not owned or directly controlled by Fellowmind, but related to our activities). Although the biggest positive impact on GHG emissions we as a company have is through customers' production and resource efficiency, through customer solutions that help record, report and reduce GHG emissions, we are committed to reducing our own emissions as well. Fellowmind is collaborating with six manufacturing customers in Denmark, to establish data driven actionable insight in order to reduce energy consumption and CO2e footprint. In 2022, we recorded the following categories; transportation, electric vehicles, electricity, employee commuting and fuel & energy related activities in scope 1,2 and 3. The goal is to be a net zero GHG emission organization by 2030.

Social and employee conditions

Our people are central to everything we do. There we want to be the best workplace in the industry by maximizing the engagement of our employees. We believe that by putting people at heart, they can bring their talent to the world. Beyond the day-to-day conversations between manager and employee, an extensive Employee engagement scan is performed once a year including all employees aiming at getting detailed insights on employee engagement on different topics. As a complement to the yearly scan, there is a weekly engagement scan. Other ways of communicating with employees are through an intranet platform, Fellowbase, an internal broadcast, a quarterly Employee Shareholder update and monthly European Management meetings. In 2022, the yearly employee engagement scan resulted in an eNPS in Denmark that was higher that Group average, which is very satisfactory. As we make people, business and society flourish, we continue to make Fellowmind evermore unique, competitive, and attractive. In 2022, the policies regarding maternity leave were changed to be equal among men and women. Also, Fellowmind now offers an attractive scheme, with maternity leave compensation well above minimum required.

Human rights and Anti-corruption

Being an ethical and reliable business partner is of high priority. We as a company can make a difference, both by having our own house in order, and by having open discussions on sustainability and ethical dilemmas, internally as well as with our customers. To ensure we live up to our high standards on business ethics, we have a number of policies in place to manage risks of corruption and bribery in our supply chain, as well as human rights breaches in our value chain. The Code of Conduct summarizes the fundamental ethical attitudes and integrity standards shared across all companies within the Fellowmind Group. It outlines our key ethical principles and requirements on issues that can have significant business, legal and reputational consequences if handled improperly. It applies to all Fellowmind personnel and includes respecting Human Rights, promoting equality and diversity, safeguarding environment and prioritizing health and safety of individuals. The Code of Conduct states that Fellowmind perform business in line with basic human rights enshrined in the UN. The Company shall comply with the four conventions of the International Labor Organization (ILO) on the right to free organization, prohibition of child labor, prohibition of forced labor, and prohibition of discrimination. It also states a commitment to only associate with parties that uphold our values and standards, and a strict opposition to all forms of corruption and fraud. As such, the Code of Conduct, includes policy on anti-corruption.

The Whistleblower policy outlines Fellowmind's procedure for reporting and handling of non-conformities. Fellowmind believes that openness and good communication throughout the organization ensures a good business practice and promotes a better work culture. This procedure guides employees on how to report concerns about possible illegal actions and violations of Fellowmind's Code of Conduct and other applicable policies or guidelines. A Supplier Code of Conduct was produced in 2020 and is to be introduced to suppliers in 2022. In 2022 there was one incident that was reported to the Board concerning a vulnerability in a third party software. There were no known cases of non-compliance in

2022. There were no known cases of corruption in 2022. Whether or not there is a need of doing an assessment of risks related to corruption will be discussed by the Board during 2023 . We expect the current human rights work to continue in the coming years.

It is mandatory for all employees to pass an e-learning course as part of the onboarding process, and after significant policy updates. In the course, employees are asked to answer questions to show you understand the purpose of the policies and what they mean in practice, i.e. questions on how you as an employee would act in a certain situation, related to anti-corruption. Through the e-learning system the number of employees that have finished the training is tracked.

Statutory statement on corporate responsibility, cf. §99b

Being an inclusive employer is important for more than one reason. Inclusion leads to diversity. If everyone feels welcome and safe, no matter who you are or how you define yourself, we believe that it will attract others from different backgrounds. And at Fellowmind, that's what we want to stimulate.

In accordance with Danish legislation, Fellowmind Denmark A/S is commented to the requirements of electing at least two female members to its management team. Presently, the management team comprises exclusively male individuals, totaling six members. Regrettably, the target was not met during the financial year 2022 due to the absence of available organizational positions. However, an ongoing process is underway to identify qualified female candidates before the conclusion of the financial year 2024.

The Board of Director currently consists of 4 male members. The aim is to be represented by at least one female member before 2027. For 2022 no changes were made to the Board of Directors.

Statutory statement on corporate responsibility, cf. 99d

Data ethics and privacy It is of highest priority that everyone follows Fellowmind's policies and instructions for the use of our IT systems and processing of personal data. All employees and consultants are subject to strict confidentiality in their individual agreements and are required to pass the Fellowmind Denmark Security Code of Conduct course, within their first month of employment. The Security Code of Conduct contains requirements and guidelines related to the storing and processing of personal and customer data, security, password policies etc.

Our data policies and procedures comply with the data security standards of ISAE 3402 and are audited yearly by PwC. Internally, we mainly process data about our employees and job applicants and always in accordance with applicable laws and for legitimate business purposes only.

Data is stored safely and with a clear legal basis in accordance with fixed procedures for storage, erasure, data subject access requests etc. We do not use artificial intelligence tools, machine learning or algorithms on either employee or customer data.

Management's Review

Data security is monitored continuously, and immediate action is taken if an attack is suspected. Any breaches of data security or leaks of personal data must be reported to the company's CISO and subsequently to Executive Management, or through our whistleblower system.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

The Company has in the subsequent period merged with Fellowmind Denmark III A/S as of 1 January 2023 with Fellowmind Denmark A/S as the continuing company.

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

Income Statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Revenue	1	**513,617,585**	**376,097,862**
Software development performed for own account, income		12,045,918	8,163,921
External project costs		-150,838,673	-122,091,241
Other external expenses		-65,723,758	-35,858,844
Gross profit/loss		**309,101,072**	**226,311,698**
Staff expenses	2	-293,399,551	-195,305,024
Profit/loss before financial income, financial expenses, depreciation, and amortization (EBITDA)		**15,701,521**	**31,006,674**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-8,986,005	-5,718,706
Profit/loss before financial income and expenses (EBIT)		**6,715,516**	**25,287,968**
Financial income	4	548,180	408,881
Financial expenses		-882,230	-576,243
Profit/loss before tax		**6,381,466**	**25,120,606**
Tax on profit/loss for the year	5	-1,643,566	-5,473,921
Net profit/loss for the year		**4,737,900**	**19,646,685**

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		0	0
Goodwill		5,397,138	0
Software development costs		18,495,446	13,643,581
Intangible assets	6	**23,892,584**	**13,643,581**
Computer equipment, fixtures and fittings		1,792,154	712,841
Leasehold improvements		412,329	232,582
Property, plant and equipment	7	**2,204,483**	**945,423**
Other receivables		2,818,277	2,013,767
Financial assets	8	**2,818,277**	**2,013,767**
Fixed assets		**28,915,344**	**16,602,771**
Trade receivables		113,086,581	70,309,851
Contract work in progress	9	7,217,877	3,301,904
Receivables from group enterprises		7,884,893	16,887,527
Other receivables		276,494	183,912
Prepayments	10	5,986,219	5,607,303
Receivables		**134,452,064**	**96,290,497**
Cash at bank and in hand		**23,234,469**	**8,199,483**
Currents assets		**157,686,533**	**104,489,980**
Assets		**186,601,877**	**121,092,751**

Balance Sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital	11	2,991,558	1,713,187
Reserve for development costs		14,426,448	10,641,992
Retained earnings		28,781,246	22,904,044
Equity		**46,199,252**	**35,259,223**
Deferred tax	13	3,959,504	2,965,304
Other provisions	14	3,615,771	0
Provisions		**7,575,275**	**2,965,304**
Other payables		19,966,209	16,167,080
Long-term debt	15	**19,966,209**	**16,167,080**
Prepayments received from customers	9	25,487,278	15,962,305
Trade payables		51,788,221	25,928,579
Payables to group enterprises		7,709,406	2,283,336
Corporation tax		630,408	4,948,482
Received deposits and prepaid rent		362,300	353,745
Other payables	15	26,883,528	17,224,697
		112,861,141	**66,701,144**
Debt		**132,827,350**	**82,868,224**
Liabilities and equity		**186,601,877**	**121,092,751**
Distribution of profit	12		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Accounting Policies	19		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,713,187	10,641,992	22,904,044	35,259,223
Net effect from merger and acquisition under the pooling of interests method	1,278,371	213,155	23,710,603	25,202,129
Adjusted equity at 1 January	2,991,558	10,855,147	46,614,647	60,461,352
Extraordinary dividend paid	0	0	-19,000,000	-19,000,000
Development costs for the year	0	9,337,344	-9,337,344	0
Depreciation, amortisation and impairment for the year	0	-5,766,043	5,766,043	0
Net profit/loss for the year	0	0	4,737,900	4,737,900
Equity at 31 December	**2,991,558**	**14,426,448**	**28,781,246**	**46,199,252**

Notes to the Financial Statements

		2022	2021
		DKK	DKK
1	**Revenue**		
	Geographical segments		
	Revenue, Denmark	472,895,349	356,800,982
	Revenue, exports	40,722,236	19,296,880
		513,617,585	**376,097,862**
	Business segments		
	Consulting services	313,977,617	216,286,083
	Licenses and software	110,717,156	67,468,235
	Managed Services, Support & Operations	53,023,341	40,866,741
	Other services	35,899,471	51,476,803
		513,617,585	**376,097,862**
2	**Staff expenses**		
	Wages and salaries	275,503,696	183,835,802
	Pensions	15,011,131	9,589,144
	Other social security expenses	2,884,724	1,880,078
		293,399,551	**195,305,024**
	Including remuneration to the Executive Board of:		
	Executive Board	5,603,426	5,570,777
		5,603,426	**5,570,777**
	Average number of employees	**381**	**266**
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	8,142,006	5,478,511
	Depreciation of property, plant and equipment	843,999	240,195
		8,986,005	**5,718,706**

Notes to the Financial Statements

		2022	2021
		DKK	DKK
4	**Financial income**		
	Interest received from group enterprises	502,011	406,184
	Other financial income	45,183	2,497
	Exchange adjustments	986	200
		548,180	**408,881**

		2022	2021
5	**Tax on profit/loss for the year**		
	Current tax for the year	630,408	4,948,482
	Deferred tax for the year	1,013,158	623,852
	Adjustment of tax concerning previous years	0	-2,640
	Adjustment concerning previous years	0	-95,773
		1,643,566	**5,473,921**

Notes to the Financial Statements

6 Intangible assets

	Completed development projects	Goodwill	Software development costs
	DKK	DKK	DKK
Cost at 1 January	0	0	40,399,283
Net effect from merger and acquisition	761,093	7,183,095	0
Additions for the year	0	0	11,970,953
Cost at 31 December	761,093	7,183,095	52,370,236
Impairment losses and amortisation at 1 January	0	0	26,755,702
Net effect from merger and acquisition	487,817	1,036,315	0
Amortisation for the year	273,276	749,642	7,119,088
Impairment losses and amortisation at 31 December	761,093	1,785,957	33,874,790
Carrying amount at 31 December	**0**	**5,397,138**	**18,495,446**

The Company’s development projects relate to continued development, improvements and upgrading of the Company’s existing software platform. The development, improvements and upgrading are completed on an ongoing basis and are ready for use upon completion. The software platform forms the basis of a large part of the Company’s existing business, hence, there are markets and customers for the software. The improvements and upgrading is expected to have lives of three years which are considered to reflect the useful lives. The projects are progressing according to plan through the use of the resources allocated by Management to the development.

Notes to the Financial Statements

7 Property, plant and equipment

	Computer equipment, fixtures and fittings	Leasehold improvements
	DKK	DKK
Cost at 1 January	2,610,631	2,022,160
Net effect from merger and acquisition	3,096,055	245,908
Additions for the year	590,953	205,726
Disposals for the year	-859,522	0
Cost at 31 December	5,438,117	2,473,794
Impairment losses and depreciation at 1 January	1,897,790	1,789,578
Net effect from merger and acquisition	1,878,906	142,052
Disposals for the year	-844,897	0
Depreciation for the year	714,164	129,835
Impairment losses and depreciation at 31 December	3,645,963	2,061,465
Carrying amount at 31 December	**1,792,154**	**412,329**

8 Financial assets

	Other receiv- ables
	DKK
Cost at 1 January	2,013,767
Net effect from merger and acquisition	454,214
Additions for the year	350,296
Cost at 31 December	2,818,277
Carrying amount at 31 December	**2,818,277**

Notes to the Financial Statements

		2022	2021
		DKK	DKK
9	**Contract work in progress**		
	Selling price of work in progress	127,204,962	79,369,084
	Payments received on account	-145,474,363	-92,029,485
		-18,269,401	**-12,660,401**
	Recognised in the balance sheet as follows:		
	Contract work in progress recognised in assets	7,217,877	3,301,904
	Prepayments received from customers	-25,487,278	-15,962,305
		-18,269,401	**-12,660,401**

10 Prepayments

Prepayments consist of prepaid expenses concerning, insurance premiums, leasing and other administration costs.

11 Equity

The share capital consists of 2,991,558 shares of a nominal value of DKK 1. No shares carry any special rights.

As per January 1, the Company held a total of 29,207 treasury shares with a nominal value of DKK 29,207 corresponding to 1,7% of the total capital.

The Company does not hold Treasury Shares as per 31 december 2022.

Notes to the Financial Statements

		2022	2021
		DKK	DKK
12	**Distribution of profit**		
	Extraordinary dividend paid	19,000,000	0
	Retained earnings	-14,262,100	19,646,685
		4,737,900	**19,646,685**
	Extraordinary dividend after year end	25,000,000	0

13 Deferred tax

	2022	2021
Provision for deferred tax at 1 January	2,965,304	2,437,225
Amounts recognised in the income statement for the year	1,013,158	528,079
Net effect from merger and acquisition	-18,958	0
Provision for deferred tax at 31 December	**3,959,504**	**2,965,304**

14 Other provisions

Other provisions consist of provisions for loss on fixed-price construction contracts.

	2022	2021
Provisions for loss on construction contracts	3,615,771	0
	3,615,771	**0**

15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

	2022	2021
After 5 years	19,966,209	16,167,080
Long-term part	19,966,209	16,167,080
Other short-term payables	26,883,528	17,224,697
	46,849,737	**33,391,777**

Notes to the Financial Statements

	2022	2021
	DKK	DKK

16 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2022	2021
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	5,900,130	4,749,324
Between 1 and 5 years	1,839,793	2,121,053
	7,739,923	**6,870,377**

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

17 Related parties

Transactions

The Company has entered administration agreements with group enterprises and other companies on the shared address of the companies covering office rental, canteen, reception, IT and finance services on a arms-length terms.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Fellowmind Holding AB	211 35 Malmö
Fellowmind Company AB	211 35 Malmö

The Group Annual Report of Fellowmind Company AB may be obtained at the following address:

Kalendegatan 26
211 35 Malmö

Notes to the Financial Statements

18 Fee to auditors appointed at the general meeting

With reference to the exemption in section 96(3) of the Danish Financial Statements Act and to the notes regarding fee to auditors appointed at the general meeting included in the Consolidated Financial Statements of Fellowmind Company AB, the Company has excluded the information in the Financial Statement.

Notes to the Financial Statements

19 Accounting Policies

The Annual Report of Fellowmind Denmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

The pooling-of-interests method is applied at the date of acquisition. Comparative figures have not been restated.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Fellowmind Company AB, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Notes to the Financial Statements

19 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Notes to the Financial Statements

19 Accounting Policies (continued)

Income Statement

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk has been made before year end.

Revenue is recognised exclusive of VAT and net disounts relating to sales.

Contract work in progress is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the work in progress and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

External project costs

External project costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and marketing as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

19 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with all affiliated companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5-10 years.

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable, in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales activities and administrative expenses involved as well as the development costs. Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

19 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures, fittings and equipments	5-7 years
Computers	3 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Financial assets

Financial assets consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Notes to the Financial Statements

19 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, leasing and other administration costs.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

19 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$