



Famly ApS

Købmagergade 19, 2. tv
1150 Copenhagen K
CVR No. 35413758

Annual report 2022

The Annual General Meeting adopted the
annual report on 29.06.2023

Henrik Møller Rasmussen
Chairman of the General Meeting

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Entity details

Entity

Family ApS

Købmagergade 19, 2. tv

1150 Copenhagen K

Business Registration No.: 35413758

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Anders Laustsen, chairman

Henrik Møller Rasmussen

Susanne Høegh Gjørup

Simon Lyndegaard

Noa Wolfson

Executive Board

Henrik Møller Rasmussen

Anders Laustsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Family ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.06.2023

Executive Board

Henrik Møller Rasmussen

Anders Laustsen

Board of Directors

Anders Laustsen
chairman

Henrik Møller Rasmussen

Susanne Høegh Gjørup

Simon Lyndegaard

Noa Wolfson

Independent auditor's report

To the shareholders of Family ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Family ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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, 29.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Frederik Juhl Hestbæk

State Authorised Public Accountant
Identification No (MNE) mne47807

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000
Key figures		
Gross profit/loss	55,742	41,764
Operating profit/loss	(39,057)	(1,568)
Net financials	(692)	24
Profit/loss for the year	(34,485)	677
Balance sheet total	129,136	143,558
Investments in property, plant and equipment	1,946	1,459
Equity	77,474	111,945
Cash flows from operating activities	(11,649)	11,484
Cash flows from investing activities	(42,154)	(16,872)
Cash flows from financing activities	0	95,998
Ratios		
Equity ratio (%)	59.99	77.98

Key figures in management commentary is excluded for the comparison figures before 2021 as 2022 is the first financial year the annual report has been prepared in accordance with reporting class C (medium).

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

Equity * 100 / Balance sheet total

Primary activities

The company's primary activity is to develop, advertise and sell software products for child and day care centers globally. Our vision is to give every child a better start, and we do that by building the world's most collaborative Early Childhood Platform for the grown-ups in a young child's life to connect, share their workload, and learn about early childhood - so they can focus on the early interactions that count.

Development in activities and finances

The year has been marked by significant milestones and strategic investments, positioning our company for continued growth and success. Our focus for 2022 has been on expanding our organization, investing in product development, solidifying our position within the UK market while also maturing our product and commercial efforts within the DACH (Germany, Austria, Switzerland) and US market.

With a deep commitment to innovation and giving every child a better start to life, we have allocated substantial resources to enhance our product offerings, ensuring they meet the changing needs and preferences of our customers. These investments have allowed us to introduce new features across all markets, improve user experience and to invest in our infrastructure. We are confident that these developments will contribute to sustained growth and customer satisfaction.

Within the UK, we continue to see strong organic growth and are also happy to announce the successful acquisition of First Steps. The acquisition has solidified our position as a market leader in the UK, and we have been pleased to welcome the First Steps team into the Family organization. Simultaneously, we have seen increased activity in our DACH markets. Our diligent efforts to understand, invest and cater to the needs of our customers in these markets have resulted in notable progress and we anticipate further growth and expansion in the coming years within DACH. In addition to our expansion UK and DACH, we have embarked on a journey to establish ourselves in the US market. This move is a testament to our ambition and confidence in our products and services. We strongly believe that our investments within the US will also help us raise the quality and competitiveness of our product for all other markets. While it is still in the early stages, we are already witnessing encouraging signs of traction and growing interest in our product offerings. We remain committed to investing the necessary resources to establish a strong foothold and unlock the immense opportunities that the US market presents.

As we move forward, we remain committed to our core values. We will continue to monitor the markets closely, adapt to changing dynamics, and seize new opportunities that align with our strategic objectives. Overall, we are pleased with the results achieved this year. Our strategic investments, expansion efforts, and focus on product development have positioned us well for future growth. While challenges are inevitable, we remain confident in our ability to navigate them successfully.

Profit/loss for the year in relation to expected developments

In 2022, we made significant investments to expand our organization, aiming to enhance our product development output and extend our commercial operations. To lay the groundwork for future growth and market presence, we established new offices in the US, Germany as well as the UK. Additionally, in March 2022, we successfully completed the acquisition of First Steps. While these investments come with significant up-front costs in 2022, we remain positive about the positive effects on growth and topline in the coming years.

The net loss for the year is a result of these significant investments in accordance with our growth plans and budgets. The results are in line with management's expectations and are considered satisfactory.

Unusual circumstances affecting recognition and measurement

The company has changed their accounting policies with regard to recognition of investments in group enterprises. In prior year investments in group enterprises were measured at cost. Going forward recognition and measurement will be measured in the parent financial statements according to the equity method.

For the Parent, the change in accounting policies has led to an increase in profit for the year, investments in group enterprises and equity of DKK 178,955 respectively. Consequently, for the Parent, the total effect of the change in accounting policies is an increase in this year's pre-tax profit by DKK 1,366,264. The Parent's balance sheet total increases by DKK 1,366,264, while its equity increases by DKK 1,366,264 at 31.12.2022

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Outlook

As we reflect on the past year, we maintain a positive outlook for our company's future. We are confident that our position within the UK market will remain strong, and are also optimistic about the potential for growth within the DACH and US markets. While our optimism remains intact, we acknowledge the challenges that the current economic climate presents for our customers, particularly within the UK market. We are monitoring the situation closely and as a company deeply rooted in the nursery sector, we are committed to supporting the industry's growth and resilience. We will continue to invest in our product to ensure that our early years platform remains cutting-edge, and that it continues to support our customers by allowing them to spend more time on the interactions that really count.

In the fiscal year 2023, we remain committed to robust investment in product development and strategic expansion within our key markets. We anticipate that the investments made in 2022 will bear fruit in the form of amplified growth, consequently bolstering our profitability throughout 2023 compared to 2022.

Famly expects a loss in the range of approximately DKK 15 - 25 mio. for the Group in 2023.

Knowledge resources

Knowledge resources are essential for Famly's to achieve both short- and long-term goals in accordance with Famly's strategy. As a result, Famly is investing significant resources in maintaining and developing competencies for all employees with the aim of growing knowledge and capabilities.

Research and development activities

Throughout the year Famly has incurred considerable research and development costs relating to the core products. The purpose of these investments is to ensure that the Famly can maintain and grow the market position in coming years.

Group relations

The Family Group consists of four legal entities:

Company	Company ID	Country	Role
Family ApS	35413758	Denmark	Parent
Family GmbH	HRB23071B	Germany	Subsidiary
Family Ltd	13835235	United Kingdom	Subsidiary
Family Inc	32-0605637	United States	Subsidiary

All subsidiaries are wholly and directly owned by Family ApS.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss	2	55,742,466	41,764,441
Staff costs	3	(81,575,205)	(36,002,810)
Depreciation, amortisation and impairment losses	4	(13,223,816)	(7,329,230)
Operating profit/loss		(39,056,555)	(1,567,599)
Other financial income	5	543,564	1,028,171
Other financial expenses	6	(1,235,583)	(1,004,107)
Profit/loss before tax		(39,748,574)	(1,543,535)
Tax on profit/loss for the year	7	5,263,690	2,220,045
Profit/loss for the year	8	(34,484,884)	676,510

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	10	13,366,940	8,396,930
Goodwill		11,782,915	0
Development projects in progress	10	26,002,153	15,370,918
Intangible assets	9	51,152,008	23,767,848
Other fixtures and fittings, tools and equipment		1,642,266	1,107,684
Leasehold improvements		728,753	547,739
Property, plant and equipment	11	2,371,019	1,655,423
Deposits		1,400,321	571,692
Other receivables		263,493	0
Financial assets	12	1,663,814	571,692
Fixed assets		55,186,841	25,994,963
Trade receivables		11,016,782	5,644,533
Tax receivable		5,419,239	2,223,504
Prepayments	13	2,448,396	1,478,320
Receivables		18,884,417	9,346,357
Cash		55,065,066	108,216,993
Current assets		73,949,483	117,563,350
Assets		129,136,324	143,558,313

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	14	335,955	335,955
Translation reserve		14,327	0
Reserve for development costs		30,707,893	18,538,921
Retained earnings		46,416,271	93,070,127
Equity		77,474,446	111,945,003
Debt to other credit institutions		8,425,517	7,997,780
Other payables	15	1,785,148	1,671,219
Non-current liabilities other than provisions	16	10,210,665	9,668,999
Trade payables		1,216,202	1,252,303
Other payables	17	16,369,557	5,004,004
Deferred income	18	23,865,454	15,688,004
Current liabilities other than provisions		41,451,213	21,944,311
Liabilities other than provisions		51,661,878	31,613,310
Equity and liabilities		129,136,324	143,558,313
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	20		
Contingent liabilities	21		
Transactions with related parties	22		
Group relations	23		
Subsidiaries	24		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	335,955	0	18,538,921	93,070,127	111,945,003
Exchange rate adjustments	0	14,327	0	0	14,327
Transfer to reserves	0	0	12,168,972	(12,168,972)	0
Profit/loss for the year	0	0	0	(34,484,884)	(34,484,884)
Equity end of year	335,955	14,327	30,707,893	46,416,271	77,474,446

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 31 December 2026 once or several times to increase the Company's share capital with up to nominally 23,890 shares in total without pre-emption right for the the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		(39,056,555)	(1,567,599)
Amortisation, depreciation and impairment losses		13,223,816	7,329,230
Working capital changes	19	13,016,378	3,851,296
Cash flow from ordinary operating activities		(12,816,361)	9,612,927
Financial income received		543,564	1,028,171
Financial expenses paid		(1,443,939)	(728,847)
Taxes refunded/(paid)		2,067,954	1,571,922
Cash flows from operating activities		(11,648,782)	11,484,173
Acquisition etc. of intangible assets		(39,377,354)	(15,370,918)
Acquisition etc. of property, plant and equipment		(1,947,583)	(1,446,445)
Other cash flows from investing activities		(828,629)	(54,265)
Cash flows from investing activities		(42,153,566)	(16,871,628)
Free cash flows generated from operations and investments before financing		(53,802,348)	(5,387,455)
Repayments of loans etc.		0	(6,002,885)
Cash capital increase		0	102,413,707
Interests paid on loans		0	(413,321)
Cash flows from financing activities		0	95,997,501
Increase/decrease in cash and cash equivalents		(53,802,348)	90,610,046
Cash and cash equivalents beginning of year		108,216,993	17,008,526
Currency translation adjustments of cash and cash equivalents		650,421	598,421
Cash and cash equivalents end of year		55,065,066	108,216,993
Cash and cash equivalents at year-end are composed of:			
Cash		55,065,066	108,216,993
Cash and cash equivalents end of year		55,065,066	108,216,993

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Gross profit/loss

The group has for the financial year capitalised own work as development projects which amounts to DKK 26,002,153 in 2022 (DKK 15,370,918 in 2021) which is included in the gross profit.

The group has for the financial year received wage subsidy of DKK 288,497 in 2022 (DKK 707,549 in 2021) which is included in the gross profit.

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	71,035,868	32,089,412
Other social security costs	2,600,698	1,121,648
Other staff costs	7,938,639	2,791,750
	81,575,205	36,002,810
Average number of full-time employees	139	62

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Board of Directors	1,707,917	1,538,000
	1,707,917	1,538,000

Special incentive programmes

The parent company has a warrant program to management and key employees where a total of 23,890 warrants have been issued.

4 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	11,993,194	6,866,109
Depreciation on property, plant and equipment	1,230,622	463,121
	13,223,816	7,329,230

5 Other financial income

	2022	2021
	DKK	DKK
Exchange rate adjustments	543,564	1,028,171
	543,564	1,028,171

6 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	729,240	1,004,107
Exchange rate adjustments	506,343	0
	1,235,583	1,004,107

7 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	(5,263,690)	(2,220,045)
	(5,263,690)	(2,220,045)

8 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Retained earnings	(34,484,884)	676,510
	(34,484,884)	676,510

9 Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	23,349,589	0	15,370,918
Transfers	15,370,918	0	(15,370,918)
Additions	0	13,375,201	26,002,153
Cost end of year	38,720,507	13,375,201	26,002,153
Amortisation and impairment losses beginning of year	(14,952,659)	0	0
Amortisation for the year	(10,400,908)	(1,592,286)	0
Amortisation and impairment losses end of year	(25,353,567)	(1,592,286)	0
Carrying amount end of year	13,366,940	11,782,915	26,002,153

Goodwill relates to the acquisition of Rio Computers Ltd. In the consolidated cash flow statement this is presented under acquisitions of intangible assets.

10 Development projects

Development projects consists of own development of software platform. Development projects consists of staff costs and indirect costs. The booked value of development projects in total amounts to DKK 39,369,093

The software platform is expected to be able to provide significant benefits and thereby have a positive impact on the activity level and earnings.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,018,690	1,115,972
Additions	1,388,149	558,069
Cost end of year	3,406,839	1,674,041
Depreciation and impairment losses beginning of year	(911,006)	(568,233)
Depreciation for the year	(853,567)	(377,055)
Depreciation and impairment losses end of year	(1,764,573)	(945,288)
Carrying amount end of year	1,642,266	728,753

12 Financial assets

	Deposits DKK	Other receivables DKK
Cost beginning of year	571,692	0
Additions	828,629	263,493
Cost end of year	1,400,321	263,493
Carrying amount end of year	1,400,321	263,493

13 Prepayments

Prepayments consists of prepaid expenses such as prepaid insurances and software.

14 Contributed capital

	Number	Par value DKK	Nominal value DKK
A-shares	158,700	100.00	158,700
B-shares	29,400	100.00	29,400
C-shares	81,271	100.00	81,271
D-shares	66,584	100.00	66,584
	335,955		335,955

15 Other payables

	2022 DKK	2021 DKK
Holiday pay obligation	1,785,148	1,671,219
	1,785,148	1,671,219

16 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Debt to other credit institutions	8,425,517	0
Other payables	1,785,148	1,785,148
	10,210,665	1,785,148

17 Other payables

	2022	2021
	DKK	DKK
VAT and duties	3,937,361	2,139,288
Wages and salaries, personal income taxes, social security costs, etc. payable	683,998	40,000
Other costs payable	11,748,198	2,824,716
	16,369,557	5,004,004

Other costs payable includes the unpaid amount in relation to the acquisition of Rio Computers Ltd.

18 Deferred income

Deferred income consists of deferred revenue from hosting-services provided to customers.

19 Changes in working capital

	2022	2021
	DKK	DKK
Increase/decrease in receivables	(6,605,818)	(4,155,766)
Increase/decrease in trade payables etc.	11,444,746	2,147,638
Other changes	8,177,450	5,859,424
	13,016,378	3,851,296

20 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	6,216,178	8,129,961

21 Contingent liabilities

The group was granted a "Covid-19 loan" from Vækstfonden in 2020. The principal is DKK 7,500,000. The loan provider has issued the loan with high security. To ensure a balance between risk and return, it is agreed that if a Founder's or Investor's investments in the Borrower (individually as "Original Investment") are transferred for a gross proceeds per share, which is more than four times (4x) as high as the price per share in connection with the Equity Investment (a "Qualified Sale"), then the Borrower must pay a bonus to the Lender corresponding to the principal ("Bonus"). The bonus is not payable if the gross proceeds per share do not constitute one qualified sales. In the event of a Qualified Sale, the Loan Amount will also fall due for full and final redemption at the same time as paying the bonus.

22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Family ApS, Copenhagen

24 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
Famly Inc.	USA	Inc	100.00	290,973	108,136
Famly Gmbh	Germany	Gmbh	100.00	321,834	126,705
Famly Ltd	England	Ltd	100.00	1,132,706	1,131,423

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss	2	42,151,148	40,924,748
Staff costs	3	(69,592,314)	(35,362,702)
Depreciation, amortisation and impairment losses	4	(13,135,832)	(7,317,367)
Operating profit/loss		(40,576,998)	(1,755,321)
Income from investments in group enterprises		1,366,264	178,955
Other financial income	5	1,070,802	1,028,171
Other financial expenses	6	(1,844,952)	(1,002,666)
Profit/loss before tax		(39,984,884)	(1,550,861)
Tax on profit/loss for the year	7	5,500,000	2,227,371
Profit/loss for the year	8	(34,484,884)	676,510

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	10	13,366,940	8,396,930
Goodwill		11,782,915	0
Development projects in progress	10	26,002,153	15,370,918
Intangible assets	9	51,152,008	23,767,848
Other fixtures and fittings, tools and equipment		1,415,506	1,081,004
Leasehold improvements		728,753	547,739
Property, plant and equipment	11	2,144,259	1,628,743
Investments in group enterprises		1,745,513	364,852
Receivables from group enterprises		1,781,894	0
Deposits		1,161,423	527,881
Other receivables		263,493	0
Financial assets	12	4,952,323	892,733
Fixed assets		58,248,590	26,289,324
Trade receivables		11,016,782	5,644,533
Tax receivable		5,500,000	2,227,371
Prepayments	13	2,347,751	1,471,462
Receivables		18,864,533	9,343,366
Cash		51,234,949	107,896,656
Current assets		70,099,482	117,240,022
Assets		128,348,072	143,529,346

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		335,955	335,955
Reserve for net revaluation according to equity method		1,559,546	178,955
Reserve for development costs		30,707,893	18,538,921
Retained earnings		44,871,052	92,891,172
Equity		77,474,446	111,945,003
Debt to other credit institutions		8,425,517	7,997,780
Other payables	14	1,785,148	1,671,219
Non-current liabilities other than provisions	15	10,210,665	9,668,999
Trade payables		1,216,201	1,252,303
Payables to group enterprises		8,621,991	20,256
Other payables	16	6,959,315	4,954,781
Deferred income	17	23,865,454	15,688,004
Current liabilities other than provisions		40,662,961	21,915,344
Liabilities other than provisions		50,873,626	31,584,343
Equity and liabilities		128,348,072	143,529,346
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	335,955	0	18,538,921	92,891,172	111,766,048
Changes in accounting policies	0	178,955	0	0	178,955
Adjusted equity, beginning of year	335,955	178,955	18,538,921	92,891,172	111,945,003
Exchange rate adjustments	0	14,327	0	0	14,327
Transfer to reserves	0	0	12,168,972	(12,168,972)	0
Profit/loss for the year	0	1,366,264	0	(35,851,148)	(34,484,884)
Equity end of year	335,955	1,559,546	30,707,893	44,871,052	77,474,446

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 31 December 2026 once or several times to increase the Company's share capital with up to nominally 23,890 shares in total without pre-emption right for the the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Gross profit/loss

The company has for the financial year capitalised own work as development projects which amounts to DKK 26,002,153 in 2022 (DKK 15,370,918 in 2021) which is included in the gross profit.

The company has for the financial year received wage subsidy of DKK 288,497 in 2022 (DKK 707,549 in 2021) which is included in the gross profit.

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	59,614,388	31,503,473
Other social security costs	2,132,011	1,067,484
Other staff costs	7,845,915	2,791,745
	69,592,314	35,362,702
Average number of full-time employees	115	59

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Board of Directors	1,707,917	1,538,000
	1,707,917	1,538,000

Special incentive programmes

The parent company has a warrant program to management and key employees where a total of 23,890 warrants have been issued.

4 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	11,993,194	6,866,109
Depreciation on property, plant and equipment	1,142,638	451,258
	13,135,832	7,317,367

5 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	524,435	0
Exchange rate adjustments	546,367	1,028,171
	1,070,802	1,028,171

6 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	668,760	0
Other interest expenses	669,849	1,001,950
Exchange rate adjustments	506,343	716
	1,844,952	1,002,666

7 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(5,500,000)	(2,227,371)
	(5,500,000)	(2,227,371)

8 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	(34,484,884)	676,510
	(34,484,884)	676,510

9 Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	23,349,589	0	15,370,918
Transfers	15,370,918	0	(15,370,918)
Additions	0	13,375,201	26,002,153
Cost end of year	38,720,507	13,375,201	26,002,153
Amortisation and impairment losses beginning of year	(14,952,659)	0	0
Amortisation for the year	(10,400,908)	(1,592,286)	0
Amortisation and impairment losses end of year	(25,353,567)	(1,592,286)	0
Carrying amount end of year	13,366,940	11,782,915	26,002,153

Goodwill relates to the acquisition of Rio Computers Ltd.

10 Development projects

Development projects consists of own development of software platform. Development projects consists of staff costs and indirect costs. The booked value of development projects in total amounts to DKK 39,369,093

The software platform is expected to be able to provide significant benefits and thereby have a positive impact on the activity level and earnings.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,968,558	1,115,972
Additions	1,100,085	558,069
Cost end of year	3,068,643	1,674,041
Depreciation and impairment losses beginning of year	(887,554)	(568,233)
Depreciation for the year	(765,583)	(377,055)
Depreciation and impairment losses end of year	(1,653,137)	(945,288)
Carrying amount end of year	1,415,506	728,753

12 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	185,897	527,881
Additions	70	633,542
Cost end of year	185,967	1,161,423
Changes in accounting policies	178,955	0
Exchange rate adjustments	14,327	0
Share of profit/loss for the year	1,366,264	0
Revaluations end of year	1,559,546	0
Carrying amount end of year	1,745,513	1,161,423

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13 Prepayments

Prepayments consists of prepaid expenses such as prepaid insurances and software.

14 Other payables

	2022	2021
	DKK	DKK
Holiday pay obligation	1,785,148	1,671,219
	1,785,148	1,671,219

15 Non-current liabilities other than provisions

	Due after more than 12 months 2022	Outstanding after 5 years 2022
	DKK	DKK
Debt to other credit institutions	8,425,517	0
Other payables	1,785,148	1,785,148
	10,210,665	1,785,148

16 Other payables

	2022	2021
	DKK	DKK
VAT and duties	4,012,646	2,146,632
Wages and salaries, personal income taxes, social security costs, etc. payable	683,998	40,000
Other costs payable	2,262,671	2,768,149
	6,959,315	4,954,781

17 Deferred income

Deferred income consists of deferred revenue from hosting-services provided to customers.

18 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	6,216,178	8,129,961

19 Contingent liabilities

The company was granted a "Covid-19 loan" from Vækstfonden in 2020. The principal is DKK 7,500,000. The loan provider has issued the loan with high security. To ensure a balance between risk and return, it is agreed that if a Founder's or Investor's investments in the Borrower (individually as "Original Investment") are transferred for a gross proceeds per share, which is more than four times (4x) as high as the price per share in connection with the Equity Investment (a "Qualified Sale"), then the Borrower must pay a bonus to the Lender corresponding to the principal ("Bonus"). The bonus is not payable if the gross proceeds per share do not constitute one qualified sales. In the event of a Qualified Sale, the Loan Amount will also fall due for full and final redemption at the same time as paying the bonus.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were

conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The Parent have changed their accounting policies with regard to recognition of investments in group enterprises. In prior year investments in group enterprises were measured at cost. Going forward recognition and measurement will be measured in the parent financial statements according to the equity method.

For the Parent, the change in accounting policies has led to an increase in profit for the year, investments in group enterprises and equity of DKK 178,955 respectively. Consequently, for the Parent, the total effect of the change in accounting policies is an increase in this year's pre-tax profit by DKK 1,366,264. The Parent's balance sheet total increases by DKK 1,366,264, while its equity increases by DKK 1,366,264 at 31.12.2022

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Key figures in management commentary is excluded for the comparison figures before 2021 as 2022 is the first financial year the annual report has been prepared in accordance with reporting class C (medium).

The company have furthermore changed their accounting policies with regard to staff costs classified as assets. An amount of DKK 26,002,153 has been reclassified so that the figures previously offset under "staff costs" (staff costs classified as assets) in the future will be recognized under the item "Own work capitalised". The change in classification has no effect on the net profit or loss for the year, only on the classification in the income statement for the current financial year and the previous financial year. As a consequence the comparative figures have been restated following the change in accounting policies with DKK 15,370,918.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation period used is 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to

the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation period used is 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash

and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.