worksome

# Annual Report 2022



Worksome ApS

Toldbodgade 35, 1.
1253 København K
CVR No. 37990485

The Annual Report 2022 was adopted at the Annual General Meeting on 27 June 2023.

**Gorm Sig Rasmussen**
Chairman of the General Meeting

"Despite a challenging macro environment in 2022, Worksome demonstrated strong resilience and achieved revenue growth of 36%. This accomplishment underscores the appeal of our value proposition, as businesses increasingly recognize the advantages of a flexible workforce.

I am particularly delighted to highlight that 2022 marked the first year of Worksome reporting on ESG and diversity & inclusion initiatives in our annual report. At Worksome, we firmly believe that incorporating ESG principles and fostering diversity & inclusion not only positively impact our employees and the communities we operate in, but also contribute to long-term sustainability and organizational excellence.

As we reflect on the accomplishments of 2022 and look to the future, we are excited about the journey ahead. Worksome will continue to forge new paths, championing a future where work is flexible, inclusive, and meaningful for all. Together with our clients and partners, we will continue to build a workforce ecosystem that thrives on agility, innovation, and shared success."

Christina Brun Petersen CPO & Co-Founder, Worksome

# Contents

# Key figures

| | 2022 DKK'000 | 2021 DKK'000 | 2020 DKK'000 | 2019 DKK'000 |
|---|---|---|---|---|
| **Key figures** | | | | |
| Revenue | 904,725 | 664,379 | 147,726 | 41,186 |
| Gross profit/loss | 11,397 | 8,452 | 3,802 | (1,389) |
| Operating profit/loss | (75,947) | (33,258) | (13,975) | (8,137) |
| Net financials | (11,316) | (2,229) | (420) | (349) |
| Profit/loss for the year | (82,995) | (33,599) | (13,044) | (8,410) |
| Profit for the year excl. minority interests | (82,995) | (33,599) | (13,044) | |
| Balance sheet total | 198,777 | 141,997 | 60,219 | 14,746 |
| Investments in property, plant and equipment | 122 | 1,231 | 25 | 0 |
| Equity | 58,370 | 51,072 | 14,190 | (26) |
| Cash flows from operating activities | (57,054) | (53,775) | (24,940) | (5,695) |
| Cash flows from investing activities | (20,655) | (10,460) | (4,010) | (2,482) |
| Cash flows from financing activities | 139,873 | 70,289 | 29,537 | 6,855 |
| **Ratios** | | | | |
| Gross margin (%) | 1.26 | 1.27 | 2.57 | (3.37) |
| Net margin (%) | (9.17) | (5.06) | (8.83) | (20.42) |
| Equity ratio (%) | 29.36 | 35.97 | 23.56 | (0.18) |

Cash flows from operating activities only presented for 2019-2021 as the Group did not report on cash flow in 2018.

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

**Gross margin (%) :**
$$\frac{\text{Gross profit/loss * 100}}{\text{Revenue}}$$

**Net margin (%) :**
$$\frac{\text{Profit/loss for the year * 100}}{\text{Revenue}}$$

**Equity ratio (%) :**
$$\frac{\text{Equity * 100}}{\text{Balance sheet total}}$$

# Entity details

## Entity

Worksome ApS
Toldbodgade 35, 1.
1253 København K

Business Registration No.: 37990485
Registered office: København
Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

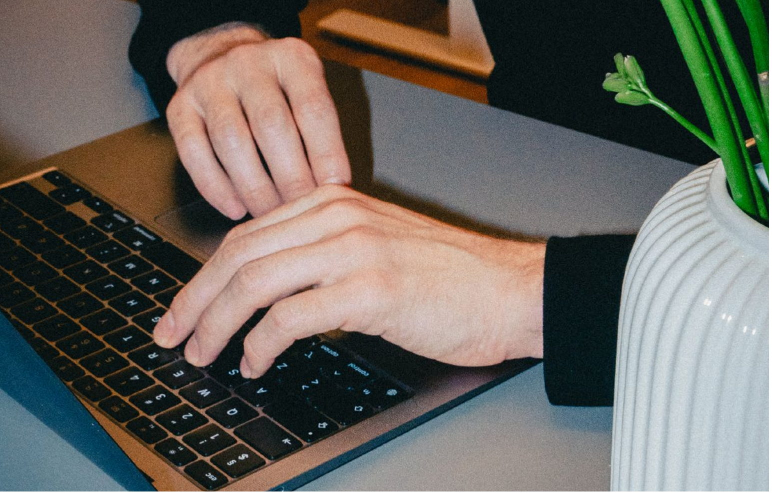
Gorm Sig Rasmussen, *Chairman*
Peter Michael Knud Oxholm Zigler
Hans Peter Galouzis Nielsen
Morten Petersen
Christina Brun Petersen
David Bøgevang Køster Christensen

## Executive Board

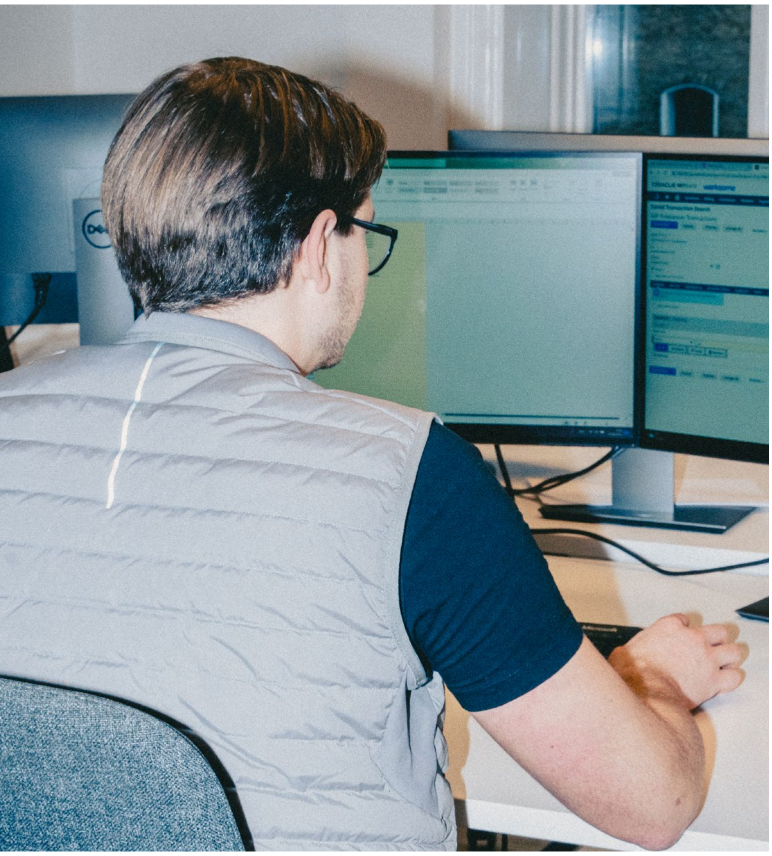
Morten Petersen, *CEO*

## Auditors

Deloitte Statsautoriseret
Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

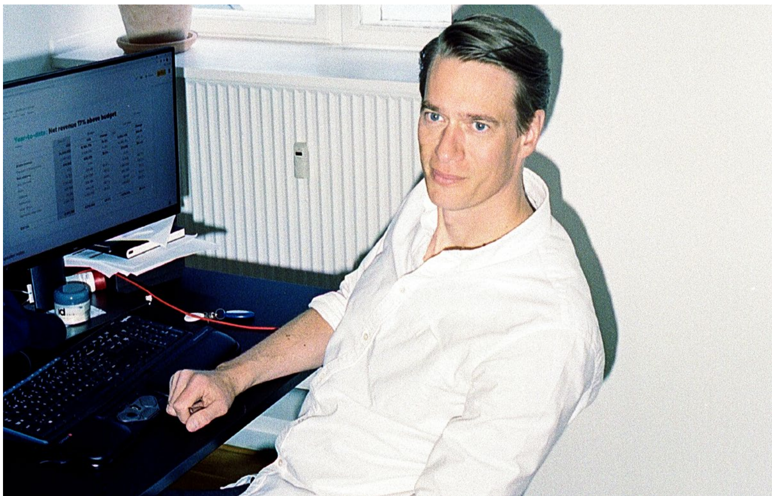



worksome




Powerful external workforce management: Redefining the contractor experience


& INCLUSION



# The Next Generation of Talent Agility

## Background

What if hiring a contractor were as easy as calling an Uber? The way we work with contractors has undergone significant changes, driven by shifts in the labor market and advancements in technology. However, the contingent workforce industry has been operating with outdated solutions and technology that no longer align with the evolving complex landscape of contractor engagement. Outdated systems and processes hinder efficiency, limit transparency, and introduce complexities in sourcing, managing, and paying contingent workers. It's no surprise that in 2023, many contingent work leaders have put the evaluation of their staffing solutions and implementation of direct sourcing at the top of their priority list.

In addition, within the move to direct sourcing there are a few strong undercurrents, including: improving the contingent-side employer brand & the talent tech experience, implementing talent pool taxonomies to complement skills-based hiring, while worker visibility and compliance becomes increasingly important for companies.

> "Program leaders are eager to stay ahead of trends that can benefit their program as they evolve. They are continuing to focus on the most effective solutions for combatting the "War on Talent" while seeking innovative approaches to accessing expanded talent pools quickly and efficiently.
>
> Enhanced visibility into all phases of the hiring process, as well as focused, strategic reporting continues to be top of mind for companies driving a proactive vs. reactive workforce planning approach. With that, business leaders are also seeking out innovative technologies that have capabilities to allow more seamless integrations to their internal talent management systems, as well as creative monitoring solutions for program compliance."
>
> Natalie Dilivio CCWP, WG Consulting, *Rise of the Contingent Workforce 2023,* Worksome.

## Direct Sourcing & IC Compliance

In 2023, in response to the rising need for streamlined and legally compliant sourcing and payment processes for the external workforce, Worksome introduced its innovative direct sourcing and global IC compliance capabilities, making it the first product to tackle both issues head-on in one unified solution.

Worksome's direct sourcing expansion allows clients to consolidate their entire external workforce in one solution, including talent from personal networks, recruiters, staffing vendors, and specialized marketplaces. This new offering empowers companies to maintain control, visibility, and efficiency over their entire external talent pool. Additionally, the product's advanced search functionality enables quick and precise hiring with just one click, resulting in time savings and a positive impact on the bottom line.

Compliance is also a key concern for businesses engaging external talent, particularly due to the intricate classification complexities involved in both local and global hires. To address this challenge, Worksome has expanded its compliance offering, providing companies with built-in worker classification for all external workers. This comprehensive solution ensures compliance with local laws and regulations across various jurisdictions.

**83%**

of global business leaders said they are increasingly turning to contingent workers

*Forbes*

**52%**

of companies are likely to explore total talent acquisition within two years

SIA, *Top program trends to watch closely in 2023, part 1.*

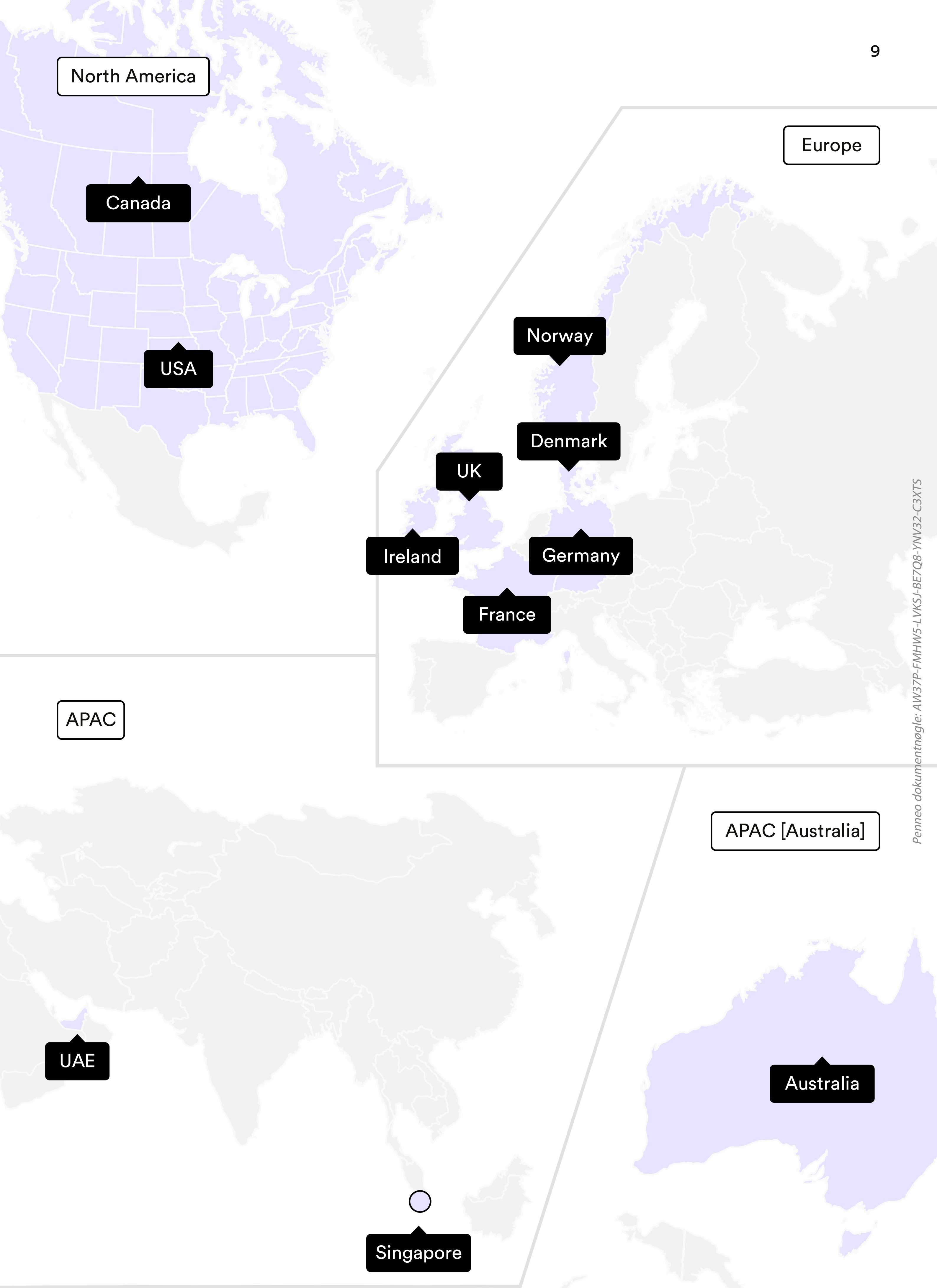
By tackling the compliance challenges associated with cross-border hiring and payment of external talent, Worksome aims to reduce the risk of misclassification and the associated penalties for both our clients and their external workers.

## Global Expansion

Today, companies seek faster and simpler access to talent around the world while grappling with complex compliance challenges arising from local and global regulations. To address these needs, Worksome has evolved its product and expanded into new markets.

Over the past year, we have established a presence in multiple countries, including Ireland, France, Germany, Australia, Singapore, and Dubai, removing hiring friction regardless of the market. These strategic expansions enable us to cater to the diverse needs of clients and independent professionals worldwide.

As we continue to expand, our aim is to provide an innovative global workforce management solution that empowers companies to efficiently source and engage external talent while ensuring compliance with local regulations. Worksome is steadfast in its commitment to building a truly global solution that facilitates seamless collaboration between organizations and the external workforce on an international scale.


North America
Canada
USA
Europe
Norway
Denmark
UK
Ireland
Germany
France
APAC
UAE
Singapore
APAC [Australia]
Australia

# Financial review

## Primary activities

Worksome is an end-to-end software solution for management for management of external contractor and freelance workforces.

Companies use Worksome to build elite internal talent pools, automate compliant contracts and payroll, manage third-party recruiters & suppliers, and get a cost overview and control of their entire contingent workforce.

## Development in activities and finances

2022 was another year of growth in both business activity and revenue as we saw continued growth in demand for our services from both existing as well as new clients during the year.

Group revenue increased to DKK 905m, growing 36% compared to 2021.

36%

Group revenue increased to DKK 905m, growing 36% compared to 2021.

30%

The key growth driver continued to be the UK market driven by both existing and new clients. Growth in the UK business was 30% compared to 2021.

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US, which we entered in 2020, also posted healthy growth as we welcomed new clients from both the US and Canada onto the product. We continue to see very positive acceptance of our value proposition among both freelancers and companies in the US and have signed multiple high-profile enterprise names to the client portfolio. Revenue increased by 113% compared to 2021.

Other core markets showed healthy growth development as well.

During the year we expanded our business footprint into new markets France, Germany, Dubai, Australia and Singapore. Collectively these new markets accounted for only a fraction of our revenue in 2022 but they serve as potential important strategic revenue drivers for the years ahead.

5

new markets including France, Germany, Dubai, Australia, and Singapore

## Profit/loss for the year in relation to expected developments

Despite growing at a rate of 36%, revenue fell short of management's expectations of revenues of more than DKK 1 billion. The main reason was the increased macro uncertainty of 2022 which resulted in a decline in activity among existing clients and a slower than expected inflow of new clients.

Though we have seen somewhat difficult macro conditions in 2022 across all markets, our strategic position and growth prospects are stronger than ever. We have continued to invest significant amounts in people, brand, product and systems to build an even stronger foundation and infrastructure to support our continued growth journey in the years to come.

People
Brand
Product
Systems

The foundation of our growth journey

These investments have resulted in a net financial loss as well as negative operating cash flows for the year, which we have funded mainly through the issuance of new shares and a loan from The Danish Growth Fund.

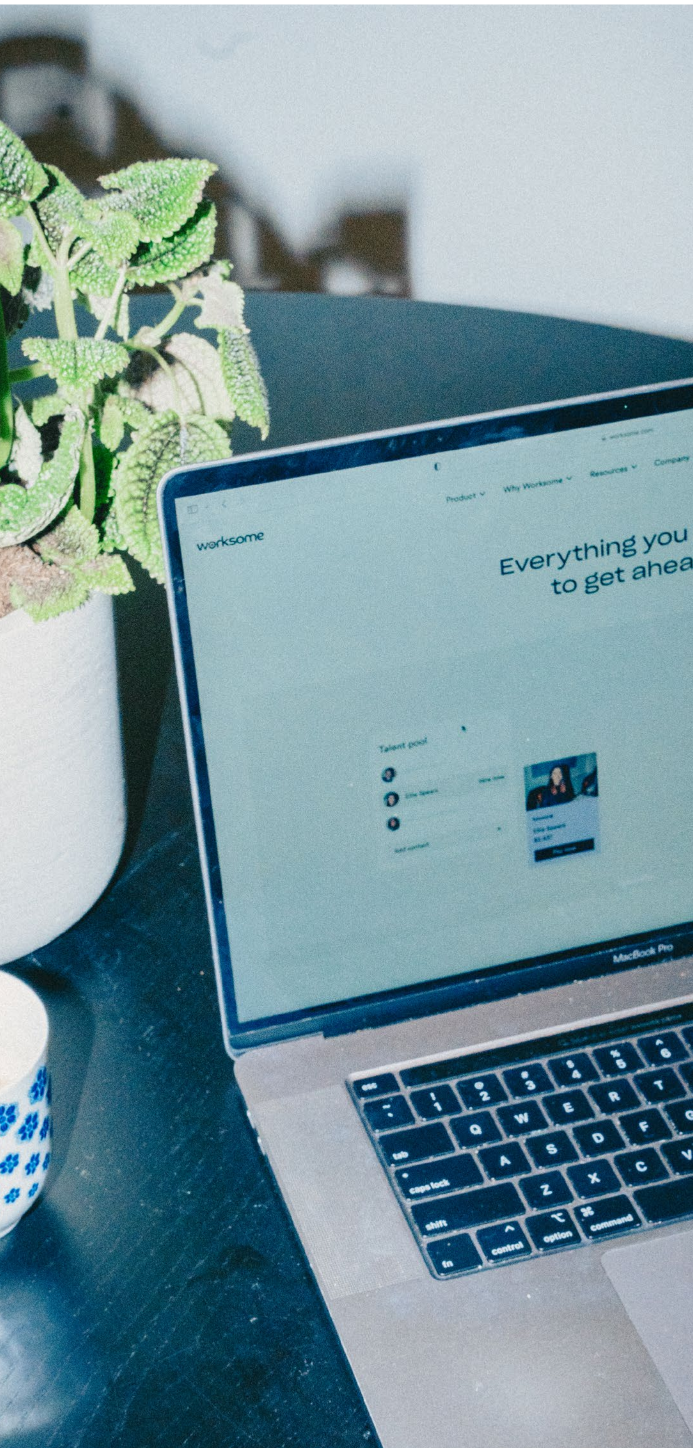
The net result for 2022 showed a loss of DKK 83.0m compared to a loss of DKK 33.6m in 2021 which is in line with management's expectations. During the year, we raised DKK 90m from sale of new shares to existing investors.

Management is overall satisfied with the development and the financial results for the year 2022.

## Uncertainty relating to recognition and measurement

As the Group is dependent on own development of its main product to generate future income, the Group capitalises the costs associated with its development activities. There is a natural uncertainty associated with the measurement and estimation of the Group's development activities and future earnings. At 31 December 2022, the Group has recognised DKK 9,359 thousand regarding ongoing development projects and DKK 16,659 thousand regarding completed developments projects.

The value of the development projects depends on the Group's ability to develop, market and attracting enough customers, who through the product generate positive earnings to create return on the investment. Based on the Company's current growth plans, Management has deemed the valuation sound. If the Group's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.




## Outlook

For 2023, we anticipate revenue growth to continue at a slightly lower rate compared to 2022 and expect gross revenues for the year of around DKK 1.1 billion.

While we have implemented initiatives to allow us to grow the business in a more cost-efficient manner, we will continue in 2023 to make significant investments in growing our commercial footprint as well as strengthening our product offering and brand position. As a result of higher income and a leaner cost base we expect improvement to our net result for the year 2023 resulting in a net loss between DKK 40 to 50 million.

## Research and development activities

Throughout the year we have made significant investments in developing our product to build an even stronger foundation for continued client attraction and retention, adding a list of exciting features to the product.

During the year, we invested DKK 19.4 million in developing new features in our product including features to improve the way companies can efficiently manage large freelancer workforces, features to manage and pay third-party recruiters, features to allow integrations with client's existing software stack, features to support global expansion and features to help solve clients' compliance challenges with regards to worker status determination and payroll.

These new features will help drive further growth and economic benefit in the years to come as our product continues to drive even more efficiencies and savings for existing and new clients by solving key pain-points and challenges within the contingent workforce hiring value chain.

## Group relations

The group is structured with the HQ and parent company Worksome Aps in Denmark and 100% owned distribution companies in its main markets.

**Worksome ApS** (Denmark) – Group Parent

| | | % owned |
|---|---|---|
| Worksome Ltd. | UK | 100.00 |
| Worksome USA, Inc. | USA | 100.00 |
| Worksome AS | Norway | 100.00 |
| Worksome Ireland Ltd. | Ireland | 100.00 |
| Worksome France SAS | France | 100.00 |
| Worksome Germany GmbH | Germany | 100.00 |
| Worksome Australia Pty Ltd | Australia | 100.00 |
| Worksome Singapore Pte Ltd | Singapore | 100.00 |
| Worksome FZCO | Dubai | 100.00 |

## Statutory report on corporate social responsibility

### Business model

Worksome is a cloud-based software company in the HR space. Worksome offers an end-to-end solution that aims to remove the friction for businesses and freelancers in the hiring process by offering a flexible and efficient product for companies to manage compliance and contracting of their external talent.

Key elements of Worksome's business model include:

1. **Research and Development**
   Creation of the Worksome product including designing, coding, testing, and debugging. All done in-house and centralised at the head-office in Copenhagen, Denmark
2. **Sales and Distribution**
   Direct sales to end-clients and distribution via cloud access.
3. **Maintenance and Support**
   In-house product maintenance and customer support

Suppliers and vendors include hardware manufacturers (computers and phones), cloud service and infrastructure providers, and third-party software providers.

### Key ESG risks

Our business model exposes us to certain ESG risks with the main ones being:

**Workplace diversity and inclusion**

Software companies can be considered more exposed to diversity and inclusion risks compared to other industries as the tech industry has historically been dominated by a narrow demographic group. To manage this risk, Worksome has a diversity and inclusion policy which is described in more detail in the following sections.

**Ethics in innovation and in use of technology**

The software industry is driven by innovation, but some companies may prioritize technical features over ethical considerations. For example, an HR software company may use AI algorithms to screen job candidates but fail to account for algorithmic bias or discrimination.

We believe that software companies have a responsibility to ensure that their products and services are used ethically and responsibly. This includes issues such as algorithmic bias, privacy violations, and discrimination.

Acting ethically and demonstrating integrity is a core part of Worksome's DNA and is imbedded in all of our work processes, management and in our Code of Conduct. We have therefore decided not to have any specific policies for ethical innovation and ethical use of our technology. We are confident that our current innovation and development processes ensure that ethical considerations are not overlooked in our innovation processes and that our engagement with our clients help ensure that our products and services are used ethically and responsibly.

Worksome's operating model has a very low environmental impact, and though we are conscious to operate in a sustainable and responsible manner we don't consider dedicated environmental policies to be particularly relevant to our business model. Our ESG policies align with our core values and focus on our social impact. In the following sections, we have outlined how we prioritise and focus within these areas.

**Social Impact**

We are highly committed to a supportive work environment, where our employees have the opportunity to reach their fullest potential. Members of our Worksome team are expected to do their utmost to create a workplace culture that is free of harassment, intimidation, bias, and unlawful discrimination.

Worksome is a people-first company, and we firmly believe that a company is only as good as its people. Hence, we take a deliberate approach to building a strong company culture based on trust, transparency and inclusion and continuously drive initiatives that emphasize and facilitate these values throughout the organization.

We recognize a higher demand for flexibility, employee well-being, and DEI in today's workforce, and we embrace it as a natural part of our culture.

## Company culture

"We believe a strong culture of belonging, fairness and respect will lead to an environment where our employees are more engaged, innovative and productive."

We value the power of trust as our key driver for business success and wellbeing of our people. This mindset is deeply embedded in our HR disciplines and allows us to work with our values and DEI in a structured way in our internal processes and frameworks. We strongly believe that a diverse and inclusive workforce is key to supporting Worksome's growth journey, and by working strategically with DEI and bringing awareness to the organization we can achieve ambitious goals even in a highly competitive and challenging environment.

Worksome is on a mission to unite a flexible world of work. Bringing people together from different backgrounds and perspectives enhances our ability to innovate and reach our business objectives in the best possible way.

We understand that we cannot achieve our mission without having DEI integrated into our hiring, product development, employee experience and servicing our customers. Worksome is committed to ensuring that all its employees feel a strong sense of belonging, fairness and respect and are able to work in an environment free of harassment, racism and hostility. We believe we can achieve this by focusing on our cultural values and by creating an inclusive employee journey for all.

We want to promote belonging, fairness and respect by:

- Fostering a collaborative work environment in which all employees feel they can participate and contribute.
- Empowering and providing a safe space for all employees to express themselves, exchange ideas, and feel heard.
- Encouraging employees to be open and curious about others' experiences and perspectives, together with respecting each other and our shared work environment.

## Well-being

Building an amazing company where we can achieve great things also means nurturing a culture where everyone can bring their authentic self and we take care of our physical and mental health. We refer to this as "mental resilience". The past year, we have increased our focus on employee well-being and taken initiatives to ensure work-life balance for everyone. We've hired a full time Head of Wellbeing to offer both physical offerings and training sessions, individual training plans and creating an online wellbeing hub where people have the flexibility to join virtual sessions when needed. Furthermore, building interactive workshops tailored to the individual teams' needs, everything from stress management tools to mindfulness sessions. Supporting the teams internally provides a unique opportunity for consistent, evolving and meaningful impact and the chance to weave wellbeing into the fiber of Worksome's work culture across all offices.

## Performance management and engagement

At Worksome we always strive to be data driven, and this includes our approach to culture and leadership. One of our main goals is to create continuity in our HR offering to reinforce our values and build a natural feedback loop as part of our company culture. Therefore, we've introduced initiatives this year to strengthen our employee engagement and performance management.

When it comes to performance management, our understanding of performance is holistic and essentially means that we take all relevant aspects into account when evaluating individual performance biannually. Inspired by the 360-degree feedback method, we've focused on creating an inclusive and transparent performance management tool tied to our leadership principles that encourages meaningful conversations and candid feedback between manager and the employee. Giving and receiving feedback should be considered as part of the "one team attitude" we need to succeed and this approach to performance management is an important step for us to take in order to grow the business with the best people, mindset and skills and achieve our mission. We're excited to see the results of this as we continue into 2023.

**Other initiatives**

Although our operations have a limited environmental impact, we want to do what we can to help protect the environment and make a positive contribution to our communities.

In 2022, we initiated new collaborations and initiatives with external partners on community based and sustainable solutions, including:

- **Pant for Pant**
  By donating our "pant" (deposit) from cans and bottles to be recycled to Pant for Pant they in exchange provide job opportunities and fair pay for our homeless community in Copenhagen.
- **EatGrim**
  Fruit delivery fighting overproduction and food waste.
- **Sharebite**
  Every meal ordered on their platform results in a meal donation to combat food insecurity in our local community.
- **Fearless into Tech**
  Hosting workshops at our offices. Fearless into Tech aims to close the gender gap in the tech sector by motivating and creating a safe space for women to develop coding skills.

# Statutory report on the underrepresented gender

This statutory report on gender distribution covers the period 1 January 2022 – 31 December 2022 and is prepared pursuant to section 99b of the Danish Financial Statements Act, which requires Worksome to set quantitative targets for the share of the underrepresented gender in Worksome Aps' Board of Directors (the Board) and implement a diversity policy to increase the share of the underrepresented gender at all management levels. Furthermore, Worksome is required to report in the annual report on the status of these targets, including whether a given target has been achieved, and if not, why not, as well as on its diversity policy.

As described earlier, Worksome has a Diversity and Inclusion policy to support our efforts of creating an environment that actively embraces diversity and inclusion, and by creating equal access to opportunities.

In general, men are slightly over-represented in Worksome with 42% of the workforce being women. Worksome is committed to increasing the share of the underrepresented gender in general, and at the Board, executive and managerial levels. In compliance with legislation, Worksome has set targets for the underrepresented gender in its Board of Directors and in other management levels.

## Board of directors

The target was set in 2022 and is that by 2025 at least 25% of the board of directors should be women. We did not reach that target in 2022 though we did increase the number of women represented on the board. The relative representation of women on the Board of

Directors was 17% in 2022 compared to 0% in 2021.

**Other management levels**

The target for other management levels was set in 2022 and is to have an equal gender distribution by 2025. We did not reach that target in 2022 although we improved the share of women in leadership positions from 33% in 2021 to 38% in 2022.

## Statutory report on data ethics policy

As a company that manages large amounts of data, it is essential for Worksome to ensure that its clients and other stakeholders have trust in the ethical management of that data.

Worksome is committed to using data in a responsible way that complies with data protection laws and regulations incl. the GDPR.

Worksome takes measures to protect the privacy and security of personal data, including implementing appropriate technical and organizational measures to ensure the confidentiality, integrity, and availability of the data. By upholding these principles, Worksome aims to build trust with its customers and stakeholders and demonstrate its commitment to ethical and responsible data practices.

While we don’t have a specific data ethics policy, we address ethical considerations related to data management in its privacy policy which can be found on our website: https://www.worksome.com/legal-center/privacy-policy

## Events after the balance sheet date

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

# Consolidated financial statements

# Consolidated income statement for 2022

| | Notes | 2022<br>DKK | 2021<br>DKK |
|---|---|---|---|
| Revenue | 3 | 904,724,719 | 664,379,007 |
| Own work capitalised | | 15,077,871 | 6,357,019 |
| Cost of sales | | (877,236,098) | (641,567,010) |
| Other external expenses | 4 | (31,169,862) | (20,717,483) |
| **Gross profit/loss** | | **11,396,630** | **8,451,533** |
| Staff costs | 5 | (82,051,471) | (38,863,133) |
| Depreciation, amortisation and impairment losses | 6 | (5,292,305) | (2,846,051) |
| **Operating profit/loss** | | **(75,947,146)** | **(33,257,651)** |
| Other financial income | 7 | 1,801 | 712,387 |
| Other financial expenses | 8 | (11,317,404) | (2,940,922) |
| **Profit/loss before tax** | | **(87,262,749)** | **(35,486,186)** |
| Tax on profit/loss for the year | 9 | 4,267,801 | 1,887,476 |
| **Profit/loss for the year** | 10 | **(82,994,948)** | **(33,598,710)** |

# Consolidated balance sheet at 31.12.2022

## Assets

| | Notes | 2022 DKK | 2021 DKK |
|---|---|---|---|
| Completed development projects | 12 | 16,659,239 | 8,911,975 |
| Development projects in progress | 12 | 9,359,158 | 2,671,438 |
| **Intangible assets** | 11 | **26,018,397** | **11,583,413** |
| Leasehold improvements | | 944,956 | 1,146,290 |
| **Property, plant and equipment** | 13 | **944,956** | **1,146,290** |
| Deposits | | 2,205,676 | 1,081,220 |
| **Financial assets** | 14 | **2,205,676** | **1,081,220** |
| **Fixed assets** | | **29,169,029** | **13,810,923** |
| Trade receivables | | 92,597,206 | 116,150,957 |
| Other receivables | | 7,520 | 16,282 |
| Tax receivable | | 4,268,944 | 1,892,902 |
| **Receivables** | | **96,873,670** | **118,060,141** |
| **Cash** | | **72,734,293** | **10,126,378** |
| **Current assets** | | **169,607,963** | **128,186,519** |
| **Assets** | | **198,776,992** | **141,997,442** |

# Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|---|---|---|---|
| Contributed capital | | 120,644 | 109,451 |
| Retained earnings | | 58,249,318 | 50,962,740 |
| **Equity** | | **58,369,962** | **51,072,191** |
| Debt to other credit institutions | | 56,545,504 | 7,926,664 |
| Other payables | | 619,416 | 600,332 |
| **Non-current liabilities other than provisions** | 15 | **57,164,920** | **8,526,996** |
| Current portion of non-current liabilities other than provisions | 15 | 1,381,390 | 0 |
| Trade payables | | 59,798,266 | 58,143,115 |
| Other payables | 16 | 22,062,454 | 24,255,140 |
| **Current liabilities other than provisions** | | **83,242,110** | **82,398,255** |
| **Liabilities other than provisions** | | **140,407,030** | **90,925,251** |
| **Equity and liabilities** | | **198,776,992** | **141,997,442** |

| | |
|---|---|
| Events after the balance sheet date | 1 |
| Uncertainty relating to recognition and measurement | 2 |
| Unrecognised rental and lease commitments | 18 |
| Contingent assets | 19 |
| Assets charged and collateral | 20 |
| Transactions with related parties | 21 |
| Subsidiaries | 22 |

# Consolidated statement of changes in equity for 2022

| | Contributed capital DKK | Share premium DKK | Retained earnings DKK | Total DKK |
|---|---|---|---|---|
| Equity beginning of year | 109,451 | 0 | 50,962,740 | 51,072,191 |
| Increase of capital | 11,193 | 89,992,782 | 0 | 90,003,975 |
| Transferred from share premium | 0 | (89,992,782) | 89,992,782 | 0 |
| Costs related to equity transactions | 0 | 0 | (150,660) | (150,660) |
| Exchange rate adjustments | 0 | 0 | 439,404 | 439,404 |
| Profit/loss for the year | 0 | 0 | (82,994,948) | (82,994,948) |
| **Equity end of year** | **120,644** | **0** | **58,249,318** | **58,369,962** |

For the purpose of offering incentive pay in the form of share options, the Group's Board of Directors is authorised for the period until 30 September 2023 once or several times to increase the Group's share capital with up to nominally 8,237 shares in total without preemption right for the the Group's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

For the purpose of offering incentive pay in the form of share options, the Group's Board of Directors is authorised for the period until 22 June 2027 once or several times to increase the Group's share capital with up to nominally 5,721 shares in total without pre-emption right for the the Group'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 | | (75,947,146) | (33,257,651) |
| Amortisation, depreciation and impairment losses | | 5,292,305 | 2,765,677 |
| Working capital changes | 17 | 23,024,978 | (22,340,420) |
| **Cash flow from ordinary operating activities** | | **(47,629,863)** | **(52,832,394)** |
| Financial income received | | 1,801 | 1,149,651 |
| Financial expenses paid | | (11,317,404) | (2,992,182) |
| Taxes refunded/(paid) | | 1,891,759 | 900,004 |
| **Cash flows from operating activities** | | **(57,053,707)** | **(53,774,921)** |
| Acquisition etc. of intangible assets | | (19,404,292) | (8,604,102) |
| Acquisition etc. of property, plant and equipment | | (121,663) | (1,231,156) |
| Sale of property, plant and equipment | | 0 | 83,860 |
| Acquisition of fixed asset investments | | (1,845,214) | (961,380) |
| Sale of fixed asset investments | | 716,618 | 252,313 |
| **Cash flows from investing activities** | | **(20,654,551)** | **(10,460,465)** |
| **Free cash flows generated from operations and investments before financing** | | **(77,708,258)** | **(64,235,386)** |
| Loans raised | | 50,019,314 | 378,779 |
| Cash capital increase | | 89,853,315 | 69,910,621 |
| **Cash flows from financing activities** | | **139,872,629** | **70,289,400** |

| | Notes | 2022 DKK | 2021 DKK |
|---|---|---|---|
| **Increase/decrease in cash and cash equivalents** | | **62,164,371** | **6,054,014** |
| Cash and cash equivalents beginning of year | | 10,126,378 | 3,953,405 |
| Currency translation adjustments of cash and cash equivalents | | 443,544 | 118,959 |
| **Cash and cash equivalents end of year** | | **72,734,293** | **10,126,378** |

Cash and cash equivalents at year-end are composed of:

| | | | |
|---|---|---|---|
| Cash | | 72,734,293 | 10,126,378 |
| **Cash and cash equivalents end of year** | | **72,734,293** | **10,126,378** |

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

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

## 2 Uncertainty relating to recognition and measurement

As the Group is a development Group, there is a natural uncertainty associated with the measurement of the Group's development activities and future earnings. At 31 December 2022, the Group has recognised DKK 9,359 thousand regarding ongoing development projects and DKK 16,659 thousand regarding completed developments projects. The value of the development projects depends on the Group's ability to develop, market and attracting enough customers who, through the product, generate positive earnings that could yield the total investment. Accordingly, Management has deemed the valuation sound. If the Group's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

## 3 Revenue

| | **2022<br>DKK** | **2021<br>DKK** |
|---|---:|---:|
| Nordics | 106,872,116 | 84,869,131 |
| UK | 729,029,583 | 547,749,827 |
| Rest of the world | 68,823,020 | 31,760,049 |
| **Total revenue by geographical market** | **904,724,719** | **664,379,007** |

# 4 Fees to the auditor appointed by the Annual General Meeting

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Statutory audit services | 135,000 | 75,000 |
| Tax services | 22,500 | 22,000 |
| Other services | 735,948 | 392,038 |
| | **893,448** | **489,038** |

# 5 Staff costs

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Wages and salaries | 74,601,009 | 35,200,877 |
| Pension costs | 3,969,263 | 1,891,565 |
| Other social security costs | 370,175 | 48,101 |
| Other staff costs | 3,111,024 | 1,722,590 |
| | **82,051,471** | **38,863,133** |
| Average number of full-time employees | 108 | 52 |

With reference to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

# 6 Depreciation, amortisation and impairment losses

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Amortisation of intangible assets | 4,969,308 | 2,739,636 |
| Depreciation on property, plant and equipment | 322,997 | 84,866 |
| Profit/loss from sale of intangible assets and property, plant and equipment | 0 | 21,549 |
| | **5,292,305** | **2,846,051** |

# 7 Other financial income

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Other interest income | 340 | 0 |
| Exchange rate adjustments | 0 | 712,387 |
| Other financial income | 1,461 | 0 |
| | **1,801** | **712,387** |

# 8 Other financial expenses

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Other interest expenses | 1,806,512 | 560,272 |
| Exchange rate adjustments | 3,855,690 | 0 |
| Other financial expenses | 5,655,202 | 2,380,650 |
| | **11,317,404** | **2,940,922** |

# 9 Tax on profit/loss for the year

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Current tax | (4,267,801) | (1,888,724) |
| Adjustment concerning previous years | 0 | 1,248 |
| | **(4,267,801)** | **(1,887,476)** |

# 10 Proposed distribution of profit/loss

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Retained earnings | (82,994,948) | (33,598,710) |
| | **(82,994,948)** | **(33,598,710)** |

# 11 Intangible assets

| | Completed development projects DKK | Development projects in progress DKK |
|---|---|---|
| Cost beginning of year | 14,800,744 | 2,671,438 |
| Transfers | 1,107,285 | (1,107,285) |
| Additions | 11,609,287 | 7,795,005 |
| **Cost end of year** | **27,517,316** | **9,359,158** |
| Amortisation and impairment losses beginning of year | (5,888,769) | 0 |
| Amortisation for the year | (4,969,308) | 0 |
| **Amortisation and impairment losses end of year** | **(10,858,077)** | **0** |
| **Carrying amount end of year** | **16,659,239** | **9,359,158** |

# 12 Development projects

The development projects comprise digital development of a digital market place, which the Group uses in its operations. The software solution is used by the Group's customers and employees. The product is continuously further developed and the projects are continuously completed and put to use, after which amortisation is commenced.

# 13 Property, plant and equipment

| | Leasehold improvements DKK |
|---|---|
| Cost beginning of year | 1,231,156 |
| Additions | 121,663 |
| **Cost end of year** | **1,352,819** |
| Depreciation and impairment losses beginning of year | (84,866) |
| Depreciation for the year | (322,997) |
| **Depreciation and impairment losses end of year** | **(407,863)** |
| **Carrying amount end of year** | **944,956** |

# 14 Financial assets

| | Deposits DKK |
|---|---|
| Cost beginning of year | 1,081,220 |
| Exchange rate adjustments | (4,140) |
| Additions | 1,845,214 |
| Disposals | (716,618) |
| **Cost end of year** | **2,205,676** |
| **Carrying amount end of year** | **2,205,676** |

# 15 Non-current liabilities other than provisions

| | Due within 12 months 2022 DKK | Due after more than 12 months 2022 DKK |
|---|---|---|
| Debt to other credit institutions | 1,381,390 | 56,545,504 |
| Other payables | 0 | 619,416 |
| | **1,381,390** | **57,164,920** |

As per 31.12.2022 none of the non-current liabilities are due 5 years after the balance sheet date.



# 16 Other payables

| | 2022 DKK | 2021 DKK |
|---|---|---|
| VAT and duties | 7,407,327 | 9,803,098 |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 12,247,361 | 11,857,151 |
| Holiday pay obligation | 1,120,234 | 1,497,448 |
| Other costs payable | 1,287,532 | 1,097,443 |
| | **22,062,454** | **24,255,140** |

# 17 Changes in working capital

| | 2022 DKK | 2021 DKK |
|---|---|---|
| Increase/decrease in receivables | 23,562,513 | (66,917,256) |
| Increase/decrease in trade payables etc. | (537,535) | 44,576,836 |
| | **23,024,978** | **(22,340,420)** |

# 18 Unrecognised rental and lease commitments

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Total liabilities under rental or lease agreements until maturity | 1,071,546 | 2,431,188 |

# 19 Contingent assets

The Group has a deferred tax asset that amounts to DKK 28,787 thousands which has not been capitalized due to the uncertainty of when the group is able to use the asset.

# 20 Assets charged and collateral

As security for debt obtained from The Danish Growth Fund, a company charge amounting to DKK 50,000 thousand has been provided. The security includes goodwill, operating equipment and fixtures and trade receivables.

The carrying amount is DKK 19,802 thousand (2021: 0 thousand)

# 21 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.

# 22 Subsidiaries

| | Registered in | Ownership % |
|---|---|---|
| Worksome Ltd. | United Kingdom | 100.00 |
| Worksome USA, Inc. | United States | 100.00 |
| Worksome AS | Norway | 100.00 |
| Worksome Ireland Ltd. | Ireland | 100.00 |
| Worksome France SAS | France | 100.00 |
| Worksome Germany GmbH | Germany | 100.00 |
| Worksome Australia Pty Ltd | Australia | 100.00 |
| Worksome Singapore Pte. Ltd. | Singapore | 100.00 |
| Worksome FZCO | Dubai | 100.00 |

# Financial statements — Parent company

# Parent income statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|---|---|---|---|
| Revenue | 3 | 112,088,465 | 84,737,067 |
| Own work capitalised | | 15,077,871 | 6,357,019 |
| Cost of sales | | (106,890,053) | (78,619,958) |
| Other external expenses | 4 | (16,676,834) | (13,505,522) |
| **Gross profit/loss** | | **3,599,449** | **(1,031,394)** |
| Staff costs | 5 | (41,115,132) | (24,412,131) |
| Depreciation, amortisation and impairment losses | 6 | (5,292,305) | (2,824,502) |
| Other operating expenses | | (41,099,960) | (6,809,692) |
| **Operating profit/loss** | | **(83,907,948)** | **(35,077,719)** |
| Other financial income | 7 | 2,168,330 | 0 |
| Impairment losses on financial assets | | (254,291) | 0 |
| Other financial expenses | 8 | (5,859,882) | (790,003) |
| **Profit/loss before tax** | | **(87,853,791)** | **(35,867,722)** |
| Tax on profit/loss for the year | 9 | 4,268,944 | 1,891,654 |
| **Profit/loss for the year** | 10 | **(83,584,847)** | **(33,976,068)** |

# Parent balance sheet at 31.12.2022

## Assets

| | Notes | 2022 DKK | 2021 DKK |
|---|---|---|---|
| Completed development projects | 12 | 16,659,239 | 8,911,975 |
| Development projects in progress | 12 | 9,359,158 | 2,671,438 |
| **Intangible assets** | 11 | **26,018,397** | **11,583,413** |
| Leasehold improvements | | 944,956 | 1,146,290 |
| **Property, plant and equipment** | 13 | **944,956** | **1,146,290** |
| Investments in group enterprises | | 229,280 | 7,042 |
| Receivables from group enterprises | | 32,437,512 | 48,977,132 |
| Deposits | | 890,033 | 911,733 |
| **Financial assets** | 14 | **33,556,825** | **49,895,907** |
| **Fixed assets** | | **60,520,178** | **62,625,610** |
| Trade receivables | | 18,856,544 | 18,288,919 |
| Other receivables | | 7,520 | 2,800 |
| Tax receivable | 15 | 4,268,944 | 1,892,902 |
| **Receivables** | | **23,133,008** | **20,184,621** |
| **Cash** | | **56,741,418** | **1,841,042** |
| **Current assets** | | **79,874,426** | **22,025,663** |
| **Assets** | | **140,394,604** | **84,651,273** |

# Equity and liabilities

| | Notes | 2022<br>DKK | 2021<br>DKK |
|---|---|---|---|
| Contributed capital | | 120,644 | 109,451 |
| Reserve for development costs | | 20,294,350 | 10,177,548 |
| Retained earnings | | 39,600,539 | 43,460,066 |
| **Equity** | | **60,015,533** | **53,747,065** |
| Debt to other credit institutions | | 56,545,504 | 7,926,664 |
| Payables to group enterprises | | 36,390 | 2,594,451 |
| Other payables | | 619,416 | 600,332 |
| **Non-current liabilities other than provisions** | 16 | **57,201,310** | **11,121,447** |
| Current portion of non-current liabilities other than provisions | 16 | 1,381,390 | 0 |
| Trade payables | | 17,144,641 | 15,781,947 |
| Other payables | 17 | 4,651,730 | 4,000,814 |
| **Current liabilities other than provisions** | | **23,177,761** | **19,782,761** |
| **Liabilities other than provisions** | | **80,379,071** | **30,904,208** |
| **Equity and liabilities** | | **140,394,604** | **84,651,273** |

| | |
|---|---|
| Events after the balance sheet date | 1 |
| Uncertainty relating to recognition and measurement | 2 |
| Unrecognised rental and lease commitments | 18 |
| Contingent assets | 19 |
| Assets charged and collateral | 20 |
| Transactions with related parties | 21 |

# Parent statement of changes in equity for 2022

| | Contributed capital DKK | Share premium DKK | Reserve for development costs DKK | Retained earnings DKK | Total DKK |
|---|---|---|---|---|---|
| Equity beginning of year | 109,451 | 0 | 10,177,548 | 43,460,066 | 53,747,065 |
| Increase of capital | 11,193 | 89,992,782 | 0 | 0 | 90,003,975 |
| Transferred from share premium | 0 | (89,992,782) | 0 | 89,992,782 | 0 |
| Costs related to equity transactions | 0 | 0 | 0 | (150,660) | (150,660) |
| Transfer to reserves | 0 | 0 | 10,116,802 | (10,116,802) | 0 |
| Profit/loss for the year | 0 | 0 | 0 | (83,584,847) | (83,584,847) |
| **Equity end of year** | **120,644** | **0** | **20,294,350** | **39,600,539** | **60,015,533** |

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 30 September 2023 once or several times to increase the Company's share capital with up to nominally 8,237 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.

For the purpose of offering incentive pay in the form of share options, the Group's Board of Directors is authorised for the period until 22 June 2027 once or several times to increase the Group's share capital with up to nominally 5,721 shares in total without pre-emption right for the the Group'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 material events have occurred after the balance sheet date to this date, which would influence the annual report.

## 2 Uncertainty relating to recognition and measurement

As the Compnay is a development Company, there is a natural uncertainty associated with the measurement of the Company's development activities and future earnings. At 31 December 2022, the Company has recognised DKK 9,359 thousand regarding ongoing development projects and DKK 16,659 thousand regarding completed developments projects. The value of the development projects depends on the Company's ability to develop, market and attracting enough customers who, through the software solution, generate positive earnings that could yield the total investment. Accordingly, Management has deemed the valuation sound. If the Company's sales and growth deviate significantly from the current plans, there may be uncertainty associated with the valuation.

## 3 Revenue

| | **2022**<br>**DKK** | **2021**<br>**DKK** |
|---|---|---|
| Nordics | 107,198,932 | 83,903,902 |
| UK | 1,098,954 | 0 |
| Rest of the world | 3,790,579 | 833,165 |
| **Total revenue by geographical market** | **112,088,465** | **84,737,067** |

# 4 Fees to the auditor appointed by the Annual General Meeting

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Statutory audit services | 135,000 | 75,000 |
| Tax services | 22,500 | 22,000 |
| Other services | 735,948 | 392,038 |
| | **893,448** | **489,038** |

# 5 Staff costs

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Wages and salaries | 38,106,512 | 22,812,385 |
| Pension costs | 1,361,725 | 730,628 |
| Other social security costs | 370,175 | 48,101 |
| Other staff costs | 1,276,720 | 821,017 |
| | **41,115,132** | **24,412,131** |
| Average number of full-time employees | **55** | **32** |

With reference to section 98b (3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

# 6 Depreciation, amortisation and impairment losses

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Amortisation of intangible assets | 4,969,308 | 2,739,636 |
| Depreciation on property, plant and equipment | 322,997 | 84,866 |
| | **5,292,305** | **2,824,502** |

# 7 Other financial income

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Financial income from group enterprises | 2,166,718 | 0 |
| Other interest income | 151 | 0 |
| Other financial income | 1,461 | 0 |
| | **2,168,330** | **0** |

# 8 Other financial expenses

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Other interest expenses | 1,583,983 | 452,891 |
| Exchange rate adjustments | 3,984,763 | 137,444 |
| Other financial expenses | 291,136 | 199,668 |
| | **5,859,882** | **790,003** |

# 9 Tax on profit/loss for the year

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Current tax | (4,268,944) | (1,892,902) |
| Adjustment concerning previous years | 0 | 1,248 |
| | **(4,268,944)** | **(1,891,654)** |

# 10 Proposed distribution of profit/loss

| | 2022<br>DKK | 2021<br>DKK |
|---|---|---|
| Retained earnings | (83,584,847) | (33,976,068) |
| | **(83,584,847)** | **(33,976,068)** |

# 11 Intangible assets

| | Completed development projects<br>DKK | Development projects in progress<br>DKK |
|---|---|---|
| Cost beginning of year | 14,800,744 | 2,671,438 |
| Transfers | 1,107,285 | (1,107,285) |
| Additions | 11,609,287 | 7,795,005 |
| **Cost end of year** | **27,517,316** | **9,359,158** |
| Amortisation and impairment losses beginning of year | (5,888,769) | 0 |
| Amortisation for the year | (4,969,308) | 0 |
| **Amortisation and impairment losses end of year** | **(10,858,077)** | **0** |
| **Carrying amount end of year** | **16,659,239** | **9,359,158** |

# 12 Development projects

The development projects comprise digital development of a digital market place, which the Company uses in its operations. The software solution is used by the Company's customers and employees. The product is continuously further developed and the projects are continuously completed and put to use, after which amortisation is commenced.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalised costs for development projects in the reserve for development costs under equity.

# 13 Property, plant and equipment

| | Leasehold improvements DKK |
|---|---|
| Cost beginning of year | 1,231,156 |
| Additions | 121,663 |
| **Cost end of year** | **1,352,819** |
| Depreciation and impairment losses beginning of year | (84,866) |
| Depreciation for the year | (322,997) |
| **Depreciation and impairment losses end of year** | **(407,863)** |
| **Carrying amount end of year** | **944,956** |

# 14 Financial assets

| | Investments in group enterprises DKK | Deposits DKK |
|---|---|---|
| Cost beginning of year | 38,560 | 911,733 |
| Additions | 222,238 | 0 |
| Disposals | 0 | (21,700) |
| **Cost end of year** | **260,798** | **890,033** |
| Impairment losses beginning of year | (31,518) | 0 |
| **Impairment losses end of year** | **(31,518)** | **0** |
| **Carrying amount end of year** | **229,280** | **890,033** |

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

# 15 Tax receivable

Corporate income tax receivable recognised in the balance sheet relates to applying the Tax Credit Scheme under section 8X of the Danish Tax Assessment Act, by which the Company can get the tax base of tax losses originating from research and development costs.

Based on an examination of the criteria for applying the scheme, Management believes the Company is entitled to apply the scheme. Accordingly, the recognition has been based on this assessment.

However, whether the criteria for applying the scheme are met is based on an estimate. Consequently, there may be a risk that the tax authorities will deem the criteria unfulfilled. If so, the receivable must be fully or partially reversed in the income statement in the subsequent financial year.

# 16 Non-current liabilities other than provisions

| | **Due within months 2022 DKK** | **Due after more than 12 months 2022 DKK** |
|---|---|---|
| Debt to other credit institutions | 1,381,390 | 56,545,504 |
| Payables to group enterprises | 0 | 36,390 |
| Other payables | 0 | 619,416 |
| | **1,381,390** | **57,201,310** |

As per 31.12.2022 none of the non-current liabilities are due 5 years after the balance sheet date.

## 17 Other payables

| | 2022<br>DKK | 2021<br>DKK |
|---|---:|---:|
| VAT and duties | 1,107,606 | 755,898 |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 1,600,775 | 705,369 |
| Holiday pay obligation | 1,120,234 | 1,497,448 |
| Other costs payable | 823,115 | 1,042,099 |
| | **4,651,730** | **4,000,814** |

## 18 Unrecognised rental and lease commitments

| | 2022<br>DKK | 2021<br>DKK |
|---|---:|---:|
| Total liabilities under rental or lease agreements until maturity | 428,732 | 1,406,688 |

## 19 Contingent assets

The Company has a deferred tax asset that amounts to DKK 27,251 thousand which has not been capitalised due to the uncertainty of when the Group is able to use the asset.

## 20 Assets charged and collateral

As security for debt obtained from The Danish Growth Fund, a company charge amounting to DKK 50,000 thousand has been provided. The security includes goodwill, operating equipment and fixtures and trade receivables.

The carrying amount is DKK 19,802 thousand (2021: 0 thousand)

# 21 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

## Changes in accounting policies

The Group and Parent have changed their accounting policies with regard to staff costs classified as assets.

An amount of DKK 15,078k for the parent company and DKK 15,078k for the group 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.

The comparative figures have been restated following the change in accounting policies with DKK 6,357k for both the parent and the group.

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

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from nonmonetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

# Income statement

## 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 capitalized

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

## Cost of sales

Cost of sales comprises salaries to freelancers.

## 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 wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

## Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible 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.

## Other operating expenses

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

## Other financial income

Other financial expenses comprise interest expenses, fees related to sale of trade receivables, 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.

## Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

## Other financial expenses

Other financial expenses comprise interest expenses, fees related to sale of trade receivables, 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

## Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 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 4 years.

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

## Property, plant and equipment

Plant and machinery, and 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 |
|---|---|
| Leasehold improvements | 3-5 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 measured at cost. Investments 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.

### 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.

## 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 development.

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.

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

# Independent auditor's report

### To the shareholders of Worksome ApS

## Opinion

We have audited the consolidated financial statements and the parent financial statements of Worksome 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, 27 June 2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant
Identification No (MNE) mne33712

**Anders Theilgaard Iversen**

State Authorised Public Accountant
Identification No (MNE) mne47797

# Statement by management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Worksome 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, 27 June 2023

## Executive Board

Morten Petersen, *CEO*

## Board of Directors

Gorm Sig Rasmussen, *Chairman*
Peter Michael Knud Oxholm Zigler
Hans Peter Galouzis Nielsen
Morten Petersen
Christina Brun Petersen
David Bøgevang Køster Christensen

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**Claus Jorch Andersen**
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**Lind Family Holding A/S CVR: 15108592**
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**Anders Theilgaard Iversen**
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**Bestyrelsesmedlem**
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**Gorm Sig Rasmussen**
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**Gorm Sig Rasmussen**
**Dirigent**
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**Morten Petersen**
**Adm. direktør**
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**Morten Petersen**
**Bestyrelsesmedlem**
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**Peter Michael Knud Oxholm Zigler**
**Bestyrelsesmedlem**
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