FFW Group ApS

Lyngbyvej 2, DK-2100 Copenhagen Ø

Annual Report for 1 January - 31 December 2021

CVR No 40 79 75 64

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/3 2022

Sven Müller-Holberg
Chairman of the General Meeting

Contents

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Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FFW Group ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

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

Copenhagen, 31 January 2022

Executive Board

Michael Koefoed Steensborg Drejer Executive Officer	Sven Müller Holberg Executive Officer

Board of Directors

Joachim Horst Scholz	Stefan Andreas Walter Happak

Independent Auditor's Report

To the Shareholders of FFW Group ApS

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of FFW Group ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”the Financial Statements”).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor's responsibilities for the audit of the Financial Statements” section of our report. We are independent of the 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.

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

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

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

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

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

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial

Independent Auditor's Report

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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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.

Hellerup, 31 January 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
state authorized public accountant
mne33262

Niels Henrik B. Mikkelsen
state authorized public accountant
mne16675

Company Information

The Company	FFW Group ApS Lyngbyvej 2 DK-2100 Copenhagen Ø CVR No: 40 79 75 64 Financial period: 1 January - 31 December Incorporated: 18 September 2019 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
Board of Directors	Joachim Horst Scholz Stefan Andreas Walter Happak
Executive Board	Michael Koefoed Steensborg Drejer Sven Müller Holberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over the two years of operation, the development of the Group is described by the following financial highlights:

	Group		
	2021	2020	18/9 - 31/12 2019
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	382.566	261.838	33.454
Gross profit/loss	294.624	212.687	14.044
Profit/loss before financial income, financial expenses, depreciation, and amortization (EBITDA)	77.649	42.635	-7.337
Profit/loss before financial income and expenses (EBIT)	38.022	19.443	-10.686
Net financials	-13.828	-9.819	-1.655
Net profit/loss for the year	10.432	4.230	-13.831
Balance sheet			
Balance sheet total	408.922	301.537	301.786
Equity	122.568	67.230	63.177
Cash flows			
Cash flows from:			
- operating activities	22.202	19.318	27.925
- investing activities	-92.212	-3.731	-198.351
including investment in property, plant and equipment	-4.800	-2.019	-15.695
- financing activities	58.704	7.622	195.022
Change in cash and cash equivalents for the year	-11.305	23.210	24.596
Number of employees	490	389	354
Ratios			
Gross margin	77,0%	81,2%	42,0%
EBITDA margin	20,3%	16,3%	-22,0%
Profit margin	9,9%	7,4%	-31,9%
Return on assets	9,3%	6,4%	-3,5%
Solvency ratio	30,0%	22,3%	20,9%
Return on equity	11,0%	6,5%	-43,8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activities

FFW and its subsidiaries is a global digital services provider that for the past 20+ years have partnered with multinational brands to define, build, optimize and support their digital assets to drive critical positive impact in their respective organizations.

FFW has legal entities, a PE and offices spanning over 10 countries: Denmark, USA, Germany, France, UK, Austria, Bulgaria, Ukraine, Moldova, and Vietnam. With these locations FFW holds a strong global footprint. It gives FFW an opportunity to support our clients locally as well as globally. The global locations also limit FFW's exposure and risk in terms of one market reclining, resource availabilities, geopolitical issues etc.

Market overview

FFW operates in a global digital market, where future and existing customers, employees as well as subcontractors/vendors are globally based and operates globally.

FFW's revenue is approximately a 53/47 split between the USA and Europe. In Europe, Denmark represents the largest share of the revenue.

The market that FFW is operating in (Enterprise Software, digital solutions, and services around it) is, according to Gartner, expected to grow further - from 2021 to 2022 with 6.5%.

Management's Review

Development in the year

2021 marks the second full year annual report for FFW under the new ownership of Celine Sieben GmbH. Expectations for the year 2021 as stated in the 2020 Annual Report were met, in fact succeeded. Without considering the results based on the acquisition of Cellular GmbH 29.06.2021, the revenue grows both in US and Europe combined by 31% on annual basis. The growth is based next to serving new customers also strongly the extension of current customer activities. As estimated and highlighted in the 2020 annual report, we were able – despite inflation and cost pressures on HR resources – to increase our EBITDA margin.

FFWs revenue is ca a 53/47 split between the USA and Europe. This includes all business activities as well as the Cellular Gmbh revenue from 01.07.2021.

For sales in 2020 no Cellular Gmbh figures are included. For 2021 they are included from 01.07.2021. FFW's sales (=order intake) of digital solutions grew solidly throughout the year with 18% and ended with an annual closed sale of 376.763 kDKK. FFW's revenue also grew strongly in 2021 with 46% amounting to an annual revenue of: 382.566 kDKK (includes 2nd HY revenue of the acquired company Cellular GmbH). Considering the full-year result of Cellular GmbH in 2021, the revenue of FFW resulted in 422.357 KDKK. 2021 was both – in respect of order intake and revenue – the best year in the history of FFW.

2021 was in many ways still heavily impacted by the implications of Covid-19, however FFW did not get negatively impacted from a business perspective. Instead, FFW capitalized on the digitalization trend in its various markets, mainly in the US and Western Europe.

The financial performance, especially considering Covid-19, has been very good. The income statement for FFW for 2021 shows a gain of 10.432 kDKK, and on 31 December 2021 the balance sheet of FFW shows equity of 122.568 kDKK.

Management's Review

Development in the year - continued

A range of streamlining and improvement as well as ongoing clean-up activities were performed:
1.Implementation of the Transfer Pricing Methodology for Cellular GmbH in Germany = acquired company and its PE in Austria (please see also point 2 below), support and consulted by a Big 4 accounting company.
2.Acquisition of Cellular GmbH – a company specialized in mobile digital solutions – to reenforce our offerings in particular on the German market. In 2022 the legal merger of Cellular GmbH with FFW Deutschland GmbH is planned and the creation of a uniform brand will be continued.
3.Implementation of the company-wide ERP system. The implementation work started in 2020 and was completed in December 2021 which resulted also in insourcing of accounting/finance activities in various countries/for a range of legal entities.
4.Finalization of all required ultimate beneficial owner ("UBO") registration procedures across the markets in which FFW operates.
5.Structure alignment by merging the former European holding company Propeople Group ApS with FFW Denmark ApS, and the consequential structural changes of the mother company for relevant legal entities
6.Strengthening of a company internal academy to train new as well current employees making sure to meet the customer requirements from a skill and expertise point of view
7.Introduction of an internal global survey which is conducted on a regular basis aiming at understanding the needs and wants of our employees and based on that drive defined improvement activities.
8.Company names alignment.
9.Strengthening of legal and data protection functions by the appointment of a Legal and Data Protection Officer (01.12.2020) and the company-wide implementation of relevant policies, procedures, and trainings.
10.Strengthening of Marketing by setting up a Global Marketing function.
11.Roll out of the FFW Whistleblowing Program supported and consulted by a Big 4 accounting company in full compliance with Directive (EU) 2019/1937, national implementing legislation and other relevant EU laws, e.g., the GDPR

Management's Review

Acquisition of Cellular GmbH

In June 2021, the board of FFW Group ApS decided to merge Cellular GmbH into the FFW structure (parent company of Cellular GmbH became FFW Danmark ApS) and adjust the reporting line of the CEO/Managing Director of Cellular GmbH to the board of FFW Denmark ApS and operationally to the Global CEO of FFW Group ApS. This decision matured over several years stretching back to the initial acquisition of FFW back in November 2019. As FFW was acquired into the same group as Cellular, it was back then in 2019 decided that FFW and Cellular should work together as Findos Investor - the investor in both organizations - saw fit and play into each other's strengths and utilize each other's services when possible. FFW specializes in large scale digital solutions and ecosystems whereas Cellular is more focused on digital strategy and mobile/device solutions. Hence, the services are complimentary and are typically an extension of a project or a client engagement. Spending 2019, 2020 and parts of 2021 getting to know each other, collaborate on major, impactful clients located in the Global Fortune 2000 category. Continuous intensifying a collaboration over the span of 2021 led to the board decision and that Cellular is becoming aning integral part of FFW. Today Panos Meyer, CEO of Cellular continues in his previous role but has also accepted the role of Global CMO at FFW Group and he is a part of the FFW Global Management Team.The efforts continue into 2022 and we see a great potential for the new updated service offering of FFW.

Management's Review

Use of financial instruments

Special risks - operating risks and financial risks

Operating risks

The biggest operational risk to FFW is related to a (however not expected) potential slowdown in the market for digital services, which could be generated by a potential worldwide recession. FFW is mitigating this risk by diversifying its customer base, operating in various countries with different digital maturity levels and moving revenue from single-project sales to recurring contracts focusing on maintenance, support, security, and optimization.

Our business model's main resource is without a doubt Human Capital, hence it is an essential part of the business and its revenue stream. Identifying, hiring, and retaining highly skilled and motivated people is key. To strengthen this important field, we have introduced a range of activities and measures including appinting a employee satisfaction manager in the US and EU, regular employee surveys, inhouse training academy, providing work location flexibility/support employees to move (e.g., we have an American colleague who will relocate to France in 2022), regular information and communication by monthly newsletter and video messages.

Moreover, to make ourselves as independent from certain locations we have decided to increase further our global footprint. We are currently working on opening a legal entity in Romania and considering further potential openings in Greece and Canada.

An additional risk is the political development in the countries with FFW entities outside Europe including Ukraine and Moldova as well as Vietnam. We mitigate this risk by having created a pool of freelancers we can work with on rather short notice in case of shortages in resources but also by hiring increasingly IT-developers as our main HR resource in US and Western European countries at our head office in Denmark but also in Germany, UK, and France. Moreover, we are working on opening further hubs with a current main focus on Romania, potentially Greece and Canada. We have experienced in the past tough political situations in both Ukraine and Moldova, however with absolutely no slowdown in delivery. Considering the current tensions in the Ukraine we have prepared an emergency plan what covers the relocation of our employees and their close family as well providing satellite telephones and technical equipment ensuring continues internet access.

Management's Review

Foreign exchange risks

The main risk relates to exchange rate: USD/DKK. With approximately 53% of the global revenue invoiced in USD the effect on revenue is significantly affected by larger fluctuations in the USD/DKK exchange rate. The EBT effect is however limited as approximately 47% of the costs are paid in USD. Besides USD, most transactions for revenue as well as costs are incurred in EUR, DKK or BGN, implying no or low risk, as FFW Group is reporting in DKK and the relevant currencies are pegged to the EUR: hence FFW Group has a limited currency risk.

Interest rate risks

The interest-bearing debt of the FFW will fluctuate with the increases in general interest rates, if EURIBOR increases to above 0.0%. The interest rate of the loan FFW holds is currently 2.25%.

Credit risks

There are rarely losses in the group companies. In 2021, a total of 29 kDKK has been accrued for, related to 4 specific customers as well as 306 kDKK unspecified accrual for bad debt based on total exposition. Based on the hisoric trends, we expect losses to be at a low level in 2022.

The financial performance, especially considering Covid-19, has been very good. The income statement for FFW for 2021 shows a gain of 10,432 kdkk, and on 31 December 2021 the balance sheet of FFW shows equity of 122.568 kdkk.

Liquidity risks

FFW focuses on having flexibility and minimizing risks. On 31 December 2021, FFW had a total 36,500 kDKK available cash. The next principal - to be paid June 30th 2022 - is 2.82 MEUR.

Ownership and capital structure

FFW is indirectly owned by funds advised by German Investor Findos and directly owned by Celine Sieben GmbH.

Management's Review

Expectations the coming year

For 2022, FFW expects revenue growth in both the USA as well as in Europe including Cellular GmbH (full-year, YoY) of about 15% compared with 2021. EBITDA-margin is expected to stay slightly below 2021 % levels mainly due to inflation and salary pressures of IT resources around the globe.

In 2022 FFW planned to focus its corporate social responsibility efforts on a number of initiatives separated in five main areas:
1.Further improving the work environment for FFW's employees
2.Delivering sustainable growth by working together with our clients, partners, and suppliers
3.Protecting ours and our clients' assets including intellectual property, confidential information as well as safeguarding personal data we hold
4.Working towards a fair and honest marketplace by promoting fair competition, preventing bribery and corruption, and maintaining accurate and correct business and financial information
5.Contributing to the global efforts for maintaining sustainable and equal societies by reducing our impact on the environment and actively being involved in the communities where we conduct our business

Statement of corporate social responsibility

Business model
As stated above: FFW has offices spanning over 10 countries/3 regions: Denmark, US, Germany, France, UK, Austria, Bulgaria, Ukraine, Moldova, and Vietnam. With these locations FFW holds a strong global footprint. It gives FFW an opportunity to support our clients locally as well as globally. Our services include strategy, design, data analytics, development, and support; we have strong values to manage, limit and reduce any potentially negative social and environmental impacts from our activities.

Our governance around CSR

FFW is dedicated to operate at the highest level of excellence, honesty, fairness, and integrity. We are committed to obeying the law and treating others with respect. We always strive to deal honestly, ethically, and fairly with our clients, suppliers, partners, competitors, and employees.

At FFW, we appreciate the diversity of our workforce and the uniqueness of every employee. We are committed to a work environment free from inappropriate behavior, including harassment and discrimination.

We also support the communities where our employees live and work and where we operate, while also continuously exploring ways to address broader challenges in society. For example, the FFW employees participated last year in the "Bottle caps for infant incubators" campaign in Bulgaria, which aims at purchasing infant incubators for hospitals in need. The plastic bottle caps collected are recycled and funds received are further donated to the initiative.

Management's Review

FFW has created a Global Management Team (GMT) which works as the Executive Management team that oversees all major decisions in the company. In the GMT team sits Michael Koefoed Steensborg Drejer, Global CEO, Nancy Stango, Global COO and CEO of the Americas, Global CFO Sven Müller Holberg, Thomas Pedersen, CEO Europe and Panos Meyer, Global CMO (since July 2021). The GMT's main responsibility is, but not restricted to, the strategic and financial development of the company. However, the GMT is also responsible for protecting the interest of all company stakeholders and for taking actions to ensure we carry out our day-to-day business activities in accordance with our culture and values, as well as comply with the letter and the spirit of all applicable laws.

In the following section, we have outlined our risks, approaches, efforts, and results in the reporting year concerning environment and climate change, social and employee conditions, human rights, anti-corruption, and data ethics.

Environment and climate change
We recognize that business activities have impacts on the environment, and we are committed to minimize these impacts as much as possible, even though our service portfolio and business model is supporting to reduce to a great extent any adverse effects on the environment and climate change.

At the same time, FFW is exposed to a certain extent to both direct and indirect environmental risks. Direct environmental risks include droughts, storms, or floods in the countries where FFW is active (e.g., the floods which occurred in Germany in 2021) but are less likely to negatively affect FFW's business activity. Indirect environmental risks, however, such as increasing costs, new regulations, political and public scrutiny may impact FFW's business increasingly and we follow closely any developments and potential impacts.

In 2019 we started a local environment initiative #AgenciesForFuture initially in Germany. We launched this as an industry initiative that calls on all companies in the tech and agency scene to do the same. Because we believe, together we can achieve more.

FFW is committed to identifying and complying with all legal and other relevant requirements related to the environmental impacts of our operations. Furthermore, we constantly discuss and implement solutions that conserve resources and protect our planet.

Some of our solutions includes:
We offset the carbon footprint of our business travel and the commutes of our employees in our Germany entity. In addition, we are extending CO2 compensation to our teams' vacation trips. In this way, we protect the environment and take the issue into the families of our employees to initiate discussions there as well.

Every new company car that is approved is an alternatively powered car. As a matter of principle, we look very closely at whether a company car is necessary at all.

As a development partner of Hamburger Hochbahn AG, we are offering our employees in Hamburg a mobility budget since fall 2021. Each individual can use a monthly budget for buses, trains or private

mobility service providers.
Furthermore, we offer our Hamburg employees the opportunity to lease a traditional or electric bicycle at reduced rates. We purchase green electricity and work exclusively with hosting suppliers who have committed to climate neutrality, too. At our events, we completely avoid meat and offer our employees and guests vegetarian alternatives.

With the Covid-19 pandemic still significantly affecting our lives, most of our employees continued working from home in 2021. This led to a significantly reduced environmental footprint as our physical offices remained closed or working at limited capacity throughout most of the year. Moreover, we continued our recycling program in all of our locations and encouraged employees to find alternate uses for waste materials, be vigilant to ensure they do not use more energy or water than necessary and take personal actions such as turning off the lights, using less paper and shutting off electronics if not used/needed.

Even more important, we are in the process of implementing a company-wide travel policy which will seek to reduce business travel whenever possible and promote the use of sustainable and climate-friendly transportation means instead of high-energy consuming ones. Further to this, we are careful to comply with a strict IT asset management policy which requires safe disposal of any IT equipment.

In 2022, FFW expects to continue its existing policies in reducing its carbon footprint by encouraging employees to work from home, reducing, reusing, and recycling office supplies, travelling smarter, flying less, and educating its staff about global warming and the associated risks. However, it will also aim at introducing new policies such as embracing entirely paper-free offices. FFW plans to invest more in software (e.g., software relating to management of job applicants and employees) which would allow going paperless in all of our locations. FFW will further evaluate its business partner relationships by their engagement with the fight against climate change and dedication to limiting carbon emissions and making a positive impact on the environment.

Social and employee conditions
Attracting and employing people in a global organization sets requirements for a formalized approach to ensure compliance in any country and any time. We understand that it is our employees who provide the services that our customers rely upon, and who will enable us to create new opportunities in the years to come.

We consider public health issues such as the ongoing COVID-19 pandemic as the main material risk in the field of social and employee conditions. This is particularly relevant for FFW employees in highly polluted areas such as Vietnam and Bulgaria as COVID-19 is a respiratory illness. Low participation in COVID-19 immunization campaigns in certain countries (i.e., Bulgaria) further exacerbates the already complicated health situation. Another risk relating to the COVID-19 pandemic is employees' non-adherence to the specified work hours as the shift towards online work occasionally creates an expectation to be available for longer hours throughout the day.

However, we are committed to maintaining a safe and healthy workplace for all our employees. Management staff is responsible for looking after the health and safety of their team members as well as for identifying and reporting to each of our local health and safety representatives any form of behavior or circumstances that could present a hazard or a risk. As part of our regular employee surveys social and employee issues in general but in particular health and safety topics are addressed, and measures taken to improve these conditions. FFW for instance has financially supported its employees in FY 2021 by setting up proper home office working conditions.

We mitigated any COVID-19-related risks for the FFW employees by encouraging them to work from home, providing sanitary protective equipment at offices (i.e., masks, gloves, and disinfectants) and making additional health insurances available to our employees. Moreover, we have been regularly conducting health and safety trainings where the FFW employees received relevant information on how to protect one's health. We further encouraged flexible working hours which allowed employees to work from wherever and whenever if the task at hand does not require presence in a specific place or time.

Moreover, we encourage the promotion of employee diversity as we consider it an essential characteristic of our company, which is profoundly multicultural. We hire, retain, and promote based on qualifications, demonstrated skills, achievements, and other merits. Further, we treat our employees with dignity and respect and foster an atmosphere of open and candid communication.

FFW does not tolerate any form of abuse or harassment of colleagues and has zero tolerance towards unwanted verbal or physical conduct (sexual or otherwise). In addition, FFW respects personal and cultural differences, to ensure that everyone enjoys a comfortable atmosphere at work.

As we strive to promote open dialogue between the company executive management and other employees, in 2021 we strongly encouraged continuous team meetings, conference calls, forums and employee surveys, in which employees can express their opinions freely. Moreover, we put special effort in thoroughly communicating our employee handbook to secure compliance and to ensure our employees can find information and guidance for everyday questions and concerns regarding employee conduct, diversity and inclusion, discrimination, and social benefits.

In 2022 FFW expects to reduce employee overtime required to a minimum and to organize a series of consultations with employee groups on how work at FFW shall be organized after the end of the COVID-19 pandemic. Further to this, we intend on providing further training to managerial staff on how to build not only professional, but more human relationships with their employees to learn more about individuals' needs and goals as well as to mitigate any risk from the lack of workplace socializing.

Human rights

FFW believes that businesses can only flourish in societies where human rights are protected and respected. FFW recognizes its corporate responsibility to respect human rights principles and commits to maintain the dignity and rights of its employees and the local communities in which the company operates through robust engagement with our relationships and other partners to mitigate potential human rights impacts beyond our direct control.

The main human rights risk associated with FFW's business is that suppliers may demand excessive overtime, or not provide safe working conditions. IT service companies often introduce business models relying on high-speed delivery requirements which may lead to cutting corners on safety to meet pressure on production.

In 2021 FFW's standard of commitment to the protection of human rights continued to apply in all regions and areas of its activities. Even if our business does not involve the production of physical products and is characterized by low risk of human rights violations, in 2021 we continued the detailed pre-screening and continuous monitoring of all of our suppliers and sub-contractors for compliance with human rights treaties, national laws and ethical norms. Thus, we have managed to work only with partners whose values and modes of behavior are aligned to our principles and respect for human rights.

Respect for all people's equality for dignity and rights is further reflected in our service offerings and products. We strive to align our products with accessibility best practices and make the online environment friendlier to disabled people including such with hearing loss or vision impairment. Another focus of our accessibility practices is the adjustment of web solutions to the needs of individuals with attention-deficit hyperactivity disorder, autism, and the Alzheimer's disease.

In 2021 we have not seen or been made aware of any cases regarding violation of human rights neither within our own company nor within the companies we provide our services for or partners we work with.

In 2022 FFW will strive to consider practical steps towards implementing a strong and well-integrated approach to human rights compliance, including ensuring that human rights policies and practices are properly embedded into the overall FFW compliance framework.

Anti-corruption
At FFW, we base our business relationships on trust, transparency, and accountability. We never offer or accept any form of payment or incentive intended to improperly influence a business decision. We record all payments and receipts accurately and never use an agent or other third party to make improper payments we cannot make ourselves.

The main risks around corruption relating to FFW's business activity are associated with the different cultural differences in attitudes towards corruption across the markets in which FFW operates. Local customs relating to facilitation payments, gifts and/or hospitality may serve as excuse for violating ethical business practice and confusion of acceptable and unacceptable practices by employees.

We have communicated strong ethics within our employee handbook, and in 2021 established a sound whistleblowing program supported and consulted by a big 4 accountant firm which enables whistleblowers to report suspicions and concerns relating to accounting manipulation, misuse of assets, fraud, bribery, and corruption as soon as possible without fear of harassment and intimidation. Alongside the prohibition of bribe offerings and receipts, our employees throughout each group company are thoroughly instructed to avoid making facilitating payments to expediate or secure a non-discretionary, routine government action.

In 2021 we continued to train and update key individuals in our organization in order for them to recognize, register and report any incidents that may cause a risk to the company. We did not experience

any cases of corruption in 2021.
In 2022 FFW expects to introduce a robust anti-corruption and anti-bribery policy to enhance its corporate social responsibility framework. Such policy will aim at guiding employees in being strong advocates for ethical business practices throughout each of the markets where we operate.

Data ethics
FFW complies with both Danish and EU law on data and privacy protection. We recognize that the fast pace of technological development, along with evolving risks and benefits from large scale data use, require thoughtful and responsible decision-making.

FFW is not active in developing innovative technologies using data, and does not utilize artificial intelligence or similar technologies, data-mining techniques, big-data analytics, and algorithms processing large-scale data, profiling, or automated decision-making in its business activities. Our data processing relates mainly to personal data of our job applicants and employees, and to such data accessed within our work on engagements with clients.

Nevertheless, to cope with the challenges both personal and non-personal data processing entail, FFW significantly strengthened its data protection framework in 2021. A Global Data Protection Officer overseeing compliance with data protection legal and ethical requirements was appointed at the end of 2020, and a number of relevant policies were adopted in 2021.

As part of its corporate social responsibility and data protection obligations, FFW adopted and implemented a Data Protection Policy based on globally accepted principles on data protection as we believe ensuring data protection is the foundation of trustworthy business relationships. Where practically feasible, the Data Protection Policy applies not only to personal, but also to non-identifiable aggregate business data. The internal data protection policy framework has been further strengthened by the adoption of Data Subject Rights, Data Retention and Safe Destruction and Data Breach Management Policies.

Last but not least, employees and partners of FFW are subjected to strong data secrecy rules. Any unauthorized collection, processing, or use of such data by employees and partners is prohibited. Any data processing undertaken by a FFW associate that they have not been authorized to carry out as part of their legitimate duties is unauthorized. The "need-to-know" principle, along with the principles of lawfulness, fairness and transparency, purpose limitation, data minimization, data accuracy, storage limitation, integrity and confidentiality and data protection by default and by design apply.

Statement on gender composition

Target for the underrepresented gender on the Board of Directors
In accordance with Danish legislation, FFW Group ApS has set a target to have one female member of the Board by 2024. The current status is FFW has two male members of the Board of Directors (both employees at the owner/investor organization) – unchanged from last year, since the general assembly did not decide to make any changes to the Board composition.

Management's Review

FFW has a zero tolerance for any form of discrimination, and the company generally wants to increase the number of women in management positions.

In 2020 FFW has kickstarted a program where coding competitions and carrier days at universities around the world will be one of the recruiting bases for the company. Our aim with these initiatives is to take us to the goal of 40% female employees. It is FFW's ambition to have a 50/50 gender ratio among our employees in the future. We aim to have a similar future gender split within our management levels (we have already today a range of successful women in top management positions such as CEO Americas/Global COO, Sales VP Americas, VP Experience Europe as well as the Managing Directors of our two Ukrainian entities). Our aim is mid-term to achieve the above mentioned 50/50 gender ratio. End of 2021 the ratio was 31% female.

Uncertainty relating to recognition and measurement

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

Unusual events

Any of the results and or activities as well as cash flow for FFW concerning the financial year 2021 have not been affected by any unusual events.

Subsequent events

There have been no subsequent events since 31.12.2021.

Income Statement 1 January - 31 December

	Note	Group		Parent	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Revenue	1	**382.565.516**	**261.838.054**	**7.673.166**	**4.697.369**
Other operating income		1.722.292	406.562	0	0
Other external expenses		-89.664.270	-49.557.322	-2.487.302	-1.745.772
Gross profit/loss		**294.623.538**	**212.687.294**	**5.185.864**	**2.951.597**
Staff expenses	2	-216.974.899	-170.052.239	-4.888.027	-3.083.301
Profit/loss before financial income, financial expenses, depreciation, and amortization (EBITDA)		**77.648.639**	**42.635.055**	**297.837**	**-131.704**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-39.626.399	-23.191.753	-17.636	0
Profit/loss before financial income and expenses (EBIT)		**38.022.240**	**19.443.302**	**280.201**	**-131.704**
Income from investments in subsidiaries	4	0	0	17.685.934	7.827.278
Financial expenses	5	-13.827.943	-9.818.712	-9.397.455	-8.285.185
Profit/loss before tax		**24.194.299**	**9.624.590**	**8.568.680**	**-589.611**
Tax on profit/loss for the year	6	-13.762.067	-5.395.004	1.863.552	1.851.716
Net profit/loss for the year		**10.432.232**	**4.229.586**	**10.432.232**	**1.262.105**

Balance Sheet 31 December

Assets

		Group		Parent	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Acquired licenses		504.364	0	0	0
Acquired customer contracts		68.955.340	75.968.043	0	0
Goodwill		161.980.294	98.909.847	0	0
Intangible assets	7	**231.439.998**	**174.877.890**	**0**	**0**
Plant and machinery		12.662.377	12.939.403	22.473	0
Property, plant and equipment	8	**12.662.377**	**12.939.403**	**22.473**	**0**
Investments in subsidiaries	9	0	0	307.913.935	251.822.397
Fixed asset investments		**0**	**0**	**307.913.935**	**251.822.397**
Fixed assets		**244.102.375**	**187.817.293**	**307.936.408**	**251.822.397**
Trade receivables		104.688.394	47.157.601	0	0
Contract work in progress	10	4.298.453	5.107.548	0	0
Other receivables		14.009.693	8.876.456	2.420.223	943.433
Deferred tax asset	14	199.562	2.355.954	5.775	1.851.716
Corporation tax		1.125.980	48.961	3.805.181	0
Prepayments	11	3.997.824	2.367.613	104.895	164.621
Receivables		**128.319.906**	**65.914.133**	**6.336.074**	**2.959.770**
Cash at bank and in hand		**36.499.959**	**47.805.430**	**0**	**126.090**
Currents assets		**164.819.865**	**113.719.563**	**6.336.074**	**3.085.860**
Assets		**408.922.240**	**301.536.856**	**314.272.482**	**254.908.257**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
		DKK	DKK	DKK	DKK
Share capital		50.001	50.001	50.001	50.001
Share premium account		76.908.718	76.908.718	76.908.718	76.908.718
Reserve for net revaluation under the equity method		0	0	24.299.646	6.613.712
Retained earnings		45.130.834	-9.838.048	28.997.488	-8.807.808
Equity attributable to shareholders of the Parent Company		**122.089.553**	**67.120.671**	**130.255.853**	**74.764.623**
Minority interests		478.835	109.384	0	0
Equity	12	**122.568.388**	**67.230.055**	**130.255.853**	**74.764.623**
Provision for deferred tax	14	9.328.866	11.314.814	0	0
Provisions		**9.328.866**	**11.314.814**	**0**	**0**
Borrowings		84.001.292	98.521.324	84.001.292	98.521.324
Other payables		32.614.964	29.757.200	32.614.963	29.757.200
Long-term debt	15	**116.616.256**	**128.278.524**	**116.616.255**	**128.278.524**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent	
	Note	2021	2020	2021	2020
		DKK	DKK	DKK	DKK
Borrowings	15	36.232.414	6.199.414	21.540.566	6.199.414
Trade payables		5.935.258	3.863.708	214.163	441.085
Contract work in progress, liabilities	10	56.384.383	38.082.094	0	0
Payables to group enterprises		20.745.930	20.915.160	45.025.500	40.003.511
Corporation tax		3.675.119	3.084.694	0	0
Other payables	15	37.435.626	22.568.393	620.145	5.221.100
Short-term debt		**160.408.730**	**94.713.463**	**67.400.374**	**51.865.110**
Debt		**277.024.986**	**222.991.987**	**184.016.629**	**180.143.634**
Liabilities and equity		**408.922.240**	**301.536.856**	**314.272.482**	**254.908.257**

Distribution of profit	13
Contingent assets, liabilities and other financial obligations	18
Related parties	19
Fee to auditors appointed at the general meeting	20
Accounting Policies	21

Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50.001	76.908.718	0	-9.838.048	67.120.671	109.384	67.230.055
Contribution from group	0	0	0	89.244.000	89.244.000	0	89.244.000
Net effect from merger and acquisition under the uniting of interests method	0	0	0	-45.456.283	-45.456.283	0	-45.456.283
Exchange adjustments relating to foreign entities	0	0	0	1.118.385	1.118.385	0	1.118.385
Net profit/loss for the year	0	0	0	10.062.780	10.062.780	369.451	10.432.231
Equity at 31 December	**50.001**	**76.908.718**	**0**	**45.130.834**	**122.089.553**	**478.835**	**122.568.388**

Statement of Changes in Equity

Parent

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50.001	76.908.718	6.613.712	-8.807.808	74.764.623	0	74.764.623
Contribution from group	0	0	0	89.244.000	89.244.000	0	89.244.000
Net effect from merger and acquisition under the uniting of interests method	0	0	0	-45.456.283	-45.456.283	0	-45.456.283
Exchange adjustments relating to foreign entities	0	0	0	1.271.281	1.271.281	0	1.271.281
Net profit/loss for the year	0	0	17.685.934	-7.253.702	10.432.232	0	10.432.232
Equity at 31 December	**50.001**	**76.908.718**	**24.299.646**	**28.997.488**	**130.255.853**	**0**	**130.255.853**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021 DKK	Group 2020 DKK
Net profit/loss for the year		10.432.232	4.229.586
Adjustments	16	68.336.739	38.228.795
Change in working capital	17	-25.386.308	-5.491.870
Cash flows from operating activities before financial income and expenses		**53.382.663**	**36.966.511**
Financial expenses		-13.827.942	-9.818.714
Cash flows from ordinary activities		**39.554.721**	**27.147.797**
Corporation tax paid		-17.352.519	-7.829.645
Cash flows from operating activities		**22.202.202**	**19.318.152**
Purchase of intangible assets		-90.001.257	0
Purchase of property, plant and equipment		-4.800.144	-2.018.551
Acquired deferred tax liability		2.589.778	-1.712.040
Cash flows from investing activities		**-92.211.623**	**-3.730.591**
Loans obtained or repaid, net		15.512.966	-3.589.912
Transactions with group enterprises		-169.230	11.212.081
Net effect from merger and acquisition under the uniting of interests method		43.360.214	0
Cash flows from financing activities		**58.703.950**	**7.622.169**
Change in cash and cash equivalents		**-11.305.471**	**23.209.730**
Cash and cash equivalents at 1 January		47.805.430	24.595.700
Cash and cash equivalents at 31 December		**36.499.959**	**47.805.430**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		36.499.959	47.805.430
Cash and cash equivalents at 31 December		**36.499.959**	**47.805.430**

Notes to the Financial Statements

1 Revenue

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Geographical segments				
Denmark	34.750.173	31.111.542	7.673.166	4.697.369
Europe	145.035.194	66.083.287	0	0
USA & rest of the world	202.780.149	164.643.225	0	0
	382.565.516	**261.838.054**	**7.673.166**	**4.697.369**

2 Staff expenses

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Wages and salaries	187.430.789	149.135.329	4.511.125	2.838.081
Pensions	8.435.042	5.312.907	364.980	226.212
Other social security expenses	17.932.302	11.360.397	11.922	3.576
Other staff expenses	3.176.766	4.243.606	0	15.432
	216.974.899	**170.052.239**	**4.888.027**	**3.083.301**
Including remuneration to the Executive Board of:				
Executive Board	4.888.028	0	4.888.028	0
	4.888.028	**0**	**4.888.028**	**0**
Average number of employees	**490**	**389**	**2**	**1**

Regarding 2020 remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Satements Act.

Notes to the Financial Statements

		Group		Parent	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	34.549.230	19.034.894	0	0
	Depreciation of property, plant and equipment	5.077.169	4.156.859	17.636	0
		39.626.399	**23.191.753**	**17.636**	**0**
	Which is specified as follows:				
	Acquired customer contracts	8.573.196	8.573.196	0	0
	Goodwill	25.976.034	10.461.698	0	0
	Plant and machinery	5.077.169	4.156.859	17.636	0
		39.626.399	**23.191.753**	**17.636**	**0**

		Parent	
		2021	2020
		DKK	DKK
4	**Income from investments in subsidiaries**		
	Share of profits of subsidiaries	37.476.652	29.442.207
	Amortisation of goodwill	-19.790.718	-21.614.929
		17.685.934	**7.827.278**

		Group		Parent	
		2021	2020	2021	2020
		DKK	DKK	DKK	DKK
5	**Financial expenses**				
	Interest paid to group enterprises	420.078	290.000	420.078	290.000
	Other financial expenses	13.407.865	9.528.712	8.977.377	7.995.185
		13.827.943	**9.818.712**	**9.397.455**	**8.285.185**

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
6 Tax on profit/loss for the year				
Current tax for the year	16.250.154	8.189.508	-1.404.243	-1.851.716
Deferred tax for the year	-2.488.087	-2.794.504	-459.309	0
	13.762.067	**5.395.004**	**-1.863.552**	**-1.851.716**

7 Intangible assets

Group

	Acquired licenses	Acquired customer contracts	Goodwill	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	0	85.761.962	110.911.989	196.673.951
Net effect from merger and acquisition	7.911.183	0	191.860.812	199.771.995
Cost at 31 December	7.911.183	85.761.962	302.772.801	396.445.946
Impairment losses and amortisation at 1 January	0	9.793.919	12.023.124	21.817.043
Amortisation for the year	7.406.819	8.573.196	130.676.653	146.656.668
Transfers for the year	0	-1.560.493	-1.907.270	-3.467.763
Impairment losses and amortisation at 31 December	7.406.819	16.806.622	140.792.507	165.005.948
Carrying amount at 31 December	**504.364**	**68.955.340**	**161.980.294**	**231.439.998**
Amortised over	3-13 years	10 years	6-10 years	

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Plant and machinery
	DKK
Cost at 1 January	22.034.663
Net effect from merger and acquisition	9.669.669
Cost at 31 December	31.704.332
Impairment losses and depreciation at 1 January	9.095.260
Depreciation for the year	9.946.695
Impairment losses and depreciation at 31 December	19.041.955
Carrying amount at 31 December	**12.662.377**
Depreciated over	3 - 5 years

Notes to the Financial Statements

	Parent	
	2021	2020
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January	245.208.686	242.976.300
Additions for the year	38.405.604	2.232.386
Cost at 31 December	283.614.290	245.208.686
Value adjustments at 1 January	6.613.711	-1.213.567
Net profit/loss for the year	37.476.652	29.442.207
Amortisation of goodwill	-19.790.718	-21.614.929
Value adjustments at 31 December	24.299.645	6.613.711
Carrying amount at 31 December	**307.913.935**	**251.822.397**
Remaining positive difference included in the above carrying amount at 31 December	168.138.476	187.929.194

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
FFW Deutschland GmbH	Berlin, DE	25.000 EUR	100%
Bysted A/S	Copenhagen, DK	1.562.500 DKK	80%
FFW Danmark ApS	Copenhagen, DK	131.250 DKK	100%
FFW GmbH	Vienna, AT	35.000 EUR	100%
FFW France	Paris, FR	1.000 EUR	100%
FFW U.K. Limited	London, UK	100 GBP	100%
Blink Reaction Ukraine LLC	Mykolaiv, UKR	2.482 UAH	61%
i.c.s. Propeople SRL	Chisinau, MD	7.577 MDL	100%
FFW BULGARIA EOOD	Sofia, BUL	5.000 BNG	100%
FFW Dnipro LLC	Dnipro, UKR	15.000 UAH	90%
FFW Holding US Inc	Holmdel, NJ, US	1 USD	100%
FFW LLC	Holmdel, NJ, US	100 USD	100%
FFW Vietnam LLC	Hanoi, VN	4.334.600k VND	100%
Cellular GmbH	Hamburg, DE	225.000 EUR	100%

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
10 Contract work in progress				
Selling price of work in progress	211.603.988	139.266.544	0	0
Payments received on account	-263.689.918	-172.241.090	0	0
	-52.085.930	**-32.974.546**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	4.298.453	5.107.548	0	0
Prepayments received recognised in debt	-56.384.383	-38.082.094	0	0
	-52.085.930	**-32.974.546**	**0**	**0**

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

12 Equity

The share capital consists of 50,001 shares of a nominal value of DKK 1. No shares carry any special rights.

13 Distribution of profit

	Group 2021	Group 2020	Parent 2021	Parent 2020
Reserve for net revaluation under the equity method	0	0	17.685.934	6.613.712
Transfer for the year to other reserves	369.452	0	0	0
Minority interests' share of net profit/loss of subsidiaries	0	59.865	0	0
Retained earnings	10.062.780	4.169.721	-7.253.702	-5.351.607
	10.432.232	**4.229.586**	**10.432.232**	**1.262.105**

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
14 Provision for deferred tax				
Provision for deferred tax at 1 January	8.958.860	13.465.404	-1.851.716	0
Amounts recognised in the income statement for the year	170.444	-4.506.544	1.845.941	-1.851.716
Provision for deferred tax at 31 December	**9.129.304**	**8.958.860**	**-5.775**	**-1.851.716**

15 Long-term debt

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

The debt falls due for payment as specified below:

	Group 2021 DKK	Group 2020 DKK	Parent 2021 DKK	Parent 2020 DKK
Borrowings				
After 5 years	0	30.999.988	0	30.999.988
Between 1 and 5 years	84.001.292	67.521.336	84.001.292	67.521.336
Long-term part	84.001.292	98.521.324	84.001.292	98.521.324
Within 1 year	0	6.199.414	0	6.199.414
Other short-term debt to credit institutions	36.232.414	0	21.540.566	0
Short-term part	36.232.414	6.199.414	21.540.566	6.199.414
	120.233.706	**104.720.738**	**105.541.858**	**104.720.738**
Other payables				
Between 1 and 5 years	32.614.964	29.757.200	32.614.963	29.757.200
Long-term part	32.614.964	29.757.200	32.614.963	29.757.200
Other short-term payables	37.435.625	22.568.393	620.145	5.221.100
	70.050.589	**52.325.593**	**33.235.108**	**34.978.300**

Notes to the Financial Statements

	Group 2021	Group 2020
	DKK	DKK

16 Cash flow statement - adjustments

	2021 DKK	2020 DKK
Financial expenses	13.827.943	9.818.712
Depreciation, amortisation and impairment losses, including losses and gains on sales	39.626.399	23.191.753
Tax on profit/loss for the year	13.762.067	5.395.004
Exchange adjustments	1.120.330	-176.674
	68.336.739	**38.228.795**

17 Cash flow statement - change in working capital

	2021 DKK	2020 DKK
Change in receivables	-63.485.144	3.439.715
Change in trade payables, etc	38.098.836	-8.931.585
	-25.386.308	**-5.491.870**

18 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been pledged as security for borrowings of 105 mDKK:

100% of the shares in FFW DK. All intragroup loans against FFW Group ApS.

Rental and lease obligations

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	10.920.447	3.329.025	0	0
Between 1 and 5 years	35.022.759	3.736.645	0	0
	45.943.206	**7.065.670**	**0**	**0**

Notes to the Financial Statements

18 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

19 Related parties

	Basis
Controlling interest	
Celine Sieben GmbH, Munich, Germany.	Majority Shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Celine Sieben GmbH, Munich, Germany.

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
20 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	669.438	350.000	562.938	90.000
Tax advisory services	339.580	242.000	339.580	0
Other services	111.500	367.163	0	62.500
	1.120.518	**959.163**	**902.518**	**152.500**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of FFW Group ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements for 2021 are presented in DKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, FFW Group ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to

Notes to the Financial Statements

21 Accounting Policies (continued)

fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any changes in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

Uniting of interests

Pooling of interests

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

Minority interests

Minority interests form part of the Group’s total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

21 Accounting Policies (continued)

Leases

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

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

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

Translation policies

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

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

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

Revenue

Information on geographical segments based on the Group´s risks and returns and its internal financial reporting system. The Group has only one business segment.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Notes to the Financial Statements

21 Accounting Policies (continued)

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 6-10 years.

Acquired customer contracts are measured at cost less accumulated amortisation. Acquired customer contracts are amortised on a straight-line basis over useful life, which is assessed at 10 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 13 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

Plant and machinery	3 - 5 years

Notes to the Financial Statements

21 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

Impairment of fixed assets

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

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

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

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

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expen-

Notes to the Financial Statements

21 Accounting Policies (continued)

ses incurred and net realisable value.

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

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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