Keepit A/S

Per Henrik Lings Allé 4, 7., DK-2100 Copenhagen

Annual Report for 1 October 2021 - 30 September 2022

CVR No 30 80 68 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 6 /3 2023

Mikkel Bansholt Oxfeldt
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Keepit A/S for the financial year 1 October 2021 - 30 September 2022.

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 30 September 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

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, 6 March 2023

Executive Board

Morten Felsvang CEO	Frederik Schouboe CEO

Board of Directors

Niels Anderskouv Chairman	Sayed Amr Hassaballah	David Klein
Nikolaj Hviid	Jesper Tranholm Frederiksen	

Independent Auditor's Report

To the Shareholders of Keepit A/S

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 30 September 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Keepit A/S for the financial year 1 October 2021 - 30 September 2022, 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 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, 6 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen	Martin Birch
State Authorised Public Accountant	State Authorised Public Accountant
mne16675	mne42825

Company Information

The Company	Keepit A/S Per Henrik Lings Allé 4, 7. DK-2100 Copenhagen CVR No: 30 80 68 83 Financial period: 1 October - 30 September Incorporated: 23 August 2007 Municipality of reg. office: Copenhagen
Board of Directors	Niels Anderskouv, Chairman Sayed Amr Hassaballah David Klein Nikolaj Hviid Jesper Tranholm Frederiksen
Executive Board	Morten Felsvang Frederik Schouboe
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group		
	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	133.736	74.334	44.887
Profit/loss before financial income and expenses	-112.782	-58.299	-13.194
Net financials	-3.228	-2.962	-4.956
Net profit/loss for the year	-111.684	-52.012	-14.092
Balance sheet			
Balance sheet total	208.055	154.872	186.100
Equity	10.580	70.742	122.754
Cash flows			
Cash flows from:			
- operating activities	-88.459	-44.329	6.601
- investing activities	-52.533	-29.774	-21.246
including investment in property, plant and equipment	-33.648	-17.326	-12.925
- financing activities	131.044	4.944	133.078
Change in cash and cash equivalents for the year	-9.948	-69.159	118.433
Number of employees	168	128	40
Ratios			
Gross margin	50,0%	50,5%	56,8%
Profit margin	-84,3%	-78,4%	-29,4%
Return on assets	-54,2%	-37,6%	-7,1%
Solvency ratio	5,1%	45,7%	66,0%
Return on equity	-274,7%	-53,8%	-23,0%

During 2020-21 Keepit A/S established a subsidiary in the US. This means that for 2020-21 consolidated financial statements have been prepared for the first time. The comparison figures for 2019-20 have not been restated and consist only of the parent company's numbers.

Management's Review

Key activities

Keepit is a software company specialising in Cloud-to-Cloud data backup and recovery. Deriving from 20+ years of experience in building best-in-class data protection and hosting services, Keepit is pioneering the way to secure and protect cloud data at scale.

Development in the year and expectations for the year ahead

During the financial year 2021/22, Keepit has continued to invest in scaling the business. In Poland, Keepit has opened a new development hub, and in Germany a sales subsidiary was established to strengthen presence in the DACH region.

The results are in line with expectations, and the Group has achieved revenue growth of 80%, whereas the income statement of the Group for 2021/22 shows a loss of DKK -111.684k.

In December 2021, the Group completed a series A2 capital increase for a total cash value of DKK 55.627k.

As per 30 September 2022 the balance sheet of the Group shows equity of DKK 10.580k.

The market for cloud-based data protection is expected to grow significantly over the coming years. With the current budget and capital resources, the Group expects solid double-digit topline growth and negative EBITDA in the range of DKK -25m to DKK -50m for the fiscal year 22/23.

Capital resources

As per September 30, 2022 the Group had cash and cash equivalents of DKK 50.172k.

During the fiscal year 2021/22, the Company has established a debt financing programme, which together with the cash at hand provides sufficient liquidity.

Foreign exchange risks

The Group has income in a number of different currencies with the majority being DKK, EUR and USD. While the market presence in the US is being built, the Group will have costs in USD which are exceeding USD income, and is hence exposed to some foreign exchange risk. Currency risks are currently not hedged.

Interest rate risks

The Company is also exposed to interest rate risks from the above-mentioned debt financing.

Management's Review

Research and development

In order to maintain product leadership in the market, Keepit is continuously investing in product research and development. With the rapid development of new technologies and new threats to companies' data, this is a main focus for the Company and key to future income.

Ability to attract and retain talent is critical, and the Company is successful in this regard with more than 300 skilled people in multiple locations and low employee turnover.

During the fiscal year more than DKK 17.000k was invested in research and development.

External environment

Keepit observes the ten principles of the United Nations Global Compact on human rights, labor rights, environment protection and to combat all forms of corruption. The principles constitute the minimum standards for Keepit and are integrated into the Company's Code of Conduct.

The Group's main impact on the external environment is considered to be the use of electricity for datacenters. Keepit is constantly looking for ways to reduce the impact, for example by investing in energy efficient equipment.

Uncertainty relating to recognition and measurement

Completed development projects show a book value of DKK 46.312k as per 30 September 2022.

Capitalized costs of completed development projects comprise salaries directly or indirectly attributable to the Company's development activities. On a monthly basis, it is assessed if costs qualify for capitalization. This assessment is based on managerial estimates including the nature of the development activities and the potential current and future addressable market. Capitalized development projects are depreciated on a straight-line basis over 10 years. Costs not passing these criteria are expensed in the income statement.

Management has performed an impairment test based on a discounted cashflow framework, where the main variables are cashflow in a forecast period, discount rate, and growth in cashflow in the terminal period.

Based on the performed impairment test, management sees no indications of impairment.

Management's Review

Subsequent events

Keepit has on 28 February 2023 secured further capital resources in form of debt funding of USD 5m which toghether with the already existing venture debt funding from March 2022 enable Keepit to draw down a total of USD 17.5m to strengthen the cash position in addition to the USD 10m already drawn on the balance sheet date. This means that Keepit on 28 February 2023 has approx. DKK 140m in cash resources available.

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

Income Statement 1 October - 30 September

	Note	Group 2021/22 DKK	Group 2020/21 DKK	Parent Company 2021/22 DKK	Parent Company 2020/21 DKK
Revenue		**133.736.187**	**74.334.133**	**118.975.021**	**74.309.105**
Work on own account recognised as development projects		17.043.141	12.448.123	17.043.141	12.448.123
Hosting and other transmission expenses		-9.897.937	-5.133.770	-9.897.937	-5.133.340
Other external expenses		-74.049.352	-44.124.886	-104.337.519	-54.604.732
Gross profit/loss		**66.832.039**	**37.523.600**	**21.782.706**	**27.019.156**
Staff expenses	1	-163.250.368	-85.523.181	-123.887.683	-75.292.212
Profit/loss before Interest, Taxes, Depreciation, and Amortization		**-96.418.329**	**-47.999.581**	**-102.104.977**	**-48.273.056**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-16.364.149	-10.299.528	-16.222.392	-10.270.088
Profit/loss before financial income and expenses		**-112.782.478**	**-58.299.109**	**-118.327.369**	**-58.543.144**
Income from investments in subsidiaries		0	0	6.437.017	-35.345
Financial income	3	2.060.084	144	1.550.179	151.781
Financial expenses	4	-5.288.163	-2.961.820	-5.701.313	-2.840.437
Profit/loss before tax		**-116.010.557**	**-61.260.785**	**-116.041.486**	**-61.267.145**
Tax on profit/loss for the year	5	4.326.930	9.248.758	4.357.859	9.255.118
Net profit/loss for the year		**-111.683.627**	**-52.012.027**	**-111.683.627**	**-52.012.027**

Balance Sheet 30 September

Assets

	Note	Group 2021/22 DKK	Group 2020/21 DKK	Parent Company 2021/22 DKK	Parent Company 2020/21 DKK
Completed development projects		46.312.683	35.227.515	46.312.683	35.227.515
Acquired patents		30.668	58.592	30.668	58.592
Goodwill		0	0	0	0
Development projects in progress		0	0	0	0
Intangible assets	6	**46.343.351**	**35.286.107**	**46.343.351**	**35.286.107**
Other fixtures and fittings, tools and equipment		53.304.038	31.211.842	52.718.954	31.121.230
Leasehold improvements		1.853.840	675.881	1.853.840	675.881
Property, plant and equipment	7	**55.157.878**	**31.887.723**	**54.572.794**	**31.797.111**
Investments in subsidiaries	8	0	0	3.864.249	0
Deposits	9	3.185.419	1.344.381	2.860.611	1.166.582
Fixed asset investments		**3.185.419**	**1.344.381**	**6.724.860**	**1.166.582**
Fixed assets		**104.686.648**	**68.518.211**	**107.641.005**	**68.249.800**
Trade receivables		23.405.295	9.978.315	19.161.636	9.216.734
Receivables from group enterprises		0	0	12.387.543	12.233.346
Other receivables		79.550	352.431	45.313	302.038
Corporation tax receivable from group enterprises		8.411.181	8.306.483	8.411.181	8.306.483
Prepayments	10	21.300.934	7.597.546	10.002.035	7.584.845
Receivables		**53.196.960**	**26.234.775**	**50.007.708**	**37.643.446**
Cash at bank and in hand		**50.171.787**	**60.119.357**	**46.430.723**	**59.392.998**
Current assets		**103.368.747**	**86.354.132**	**96.438.431**	**97.036.444**
Assets		**208.055.395**	**154.872.343**	**204.079.436**	**165.286.244**

Balance Sheet 30 September

Liabilities and equity

	Note	Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
		DKK	DKK	DKK	DKK
Share capital	11	1.579.802	1.540.570	1.579.802	1.540.570
Reserve for net revaluation under the equity method		0	0	3.671.430	0
Reserve for development costs		33.232.671	19.442.491	33.232.671	19.442.491
Reserve for exchange rate adjustments		-2.765.587	0	0	0
Retained earnings		-21.466.725	49.758.934	-27.903.742	49.758.934
Equity		**10.580.161**	**70.741.995**	**10.580.161**	**70.741.995**
Credit institutions		70.012.344	11.086.493	70.012.344	11.086.493
Lease obligations		6.343.472	4.097.422	6.343.472	4.097.422
Deferred income		8.213.107	1.409.864	8.213.107	1.409.864
Long-term debt	13	**84.568.923**	**16.593.779**	**84.568.923**	**16.593.779**
Credit institutions	13	10.784.268	3.222.167	10.784.268	3.222.167
Lease obligations	13	20.559.662	15.302.999	20.559.662	15.302.999
Trade payables		2.898.809	8.109.048	2.654.724	8.128.002
Payables to group enterprises		0	0	11.211.315	11.708.895
Payables to owners and Management		100.637	156.054	100.637	156.054
Other payables		20.626.254	15.089.052	17.308.430	14.507.826
Deferred income	13,14	57.936.681	25.657.249	46.311.316	24.924.527
Short-term debt		**112.906.311**	**67.536.569**	**108.930.352**	**77.950.470**
Debt		**197.475.234**	**84.130.348**	**193.499.275**	**94.544.249**
Liabilities and equity		**208.055.395**	**154.872.343**	**204.079.436**	**165.286.244**

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Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Reserve for development costs	Reserve for exchange rate adjustments	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 October 2021	1.540.570	0	0	19.442.491	0	49.758.934	70.741.995
Exchange adjustments	0	0	0	0	-2.765.587	0	-2.765.587
Cash capital increase	39.232	55.627.293	0	0	0	0	55.666.525
Capital increase and dividend distribution costs	0	0	0	0	0	-1.379.145	-1.379.145
Other equity movements	0	0	0	4.006.470	0	-4.006.470	0
Development costs for the year	0	0	0	13.293.650	0	-13.293.650	0
Depreciation, amortisation and impairment for the year	0	0	0	-3.509.940	0	3.509.940	0
Net profit/loss for the year	0	0	0	0	0	-111.683.627	-111.683.627
Transfer from share premium account	0	-55.627.293	0	0	0	55.627.293	0
Equity at 30 September 2022	**1.579.802**	**0**	**0**	**33.232.671**	**-2.765.587**	**-21.466.725**	**10.580.161**

Statement of Changes in Equity

Parent Company

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Reserve for development costs	Reserve for exchange rate adjustments	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 October 2021	1.540.570	0	0	19.442.491	0	49.758.934	70.741.995
Exchange adjustments	0	0	-2.765.587	0	0	0	-2.765.587
Cash capital increase	39.232	55.627.293	0	0	0	0	55.666.525
Capital increase and dividend distribution costs	0	0	0	0	0	-1.379.145	-1.379.145
Other equity movements	0	0	0	4.006.470	0	-4.006.470	0
Development costs for the year	0	0	0	13.293.650	0	-13.293.650	0
Depreciation, amortisation and impairment for the year	0	0	0	-3.509.940	0	3.509.940	0
Net profit/loss for the year	0	0	6.437.017	0	0	-118.120.644	-111.683.627
Transfer from share premium account	0	-55.627.293	0	0	0	55.627.293	0
Equity at 30 September 2022	**1.579.802**	**0**	**3.671.430**	**33.232.671**	**0**	**-27.903.742**	**10.580.161**

Cash Flow Statement 1 October - 30 September

	Note	Group 2021/22 DKK	Group 2020/21 DKK
Net profit/loss for the year		-111.683.627	-52.012.027
Adjustments	15	15.797.045	4.006.655
Change in working capital	16	10.656.045	6.637.684
Cash flows from operating activities before financial income and expenses		**-85.230.537**	**-41.367.688**
Financial income		2.060.086	144
Financial expenses		-5.288.165	-2.961.819
Cash flows from operating activities		**-88.458.616**	**-44.329.363**
Purchase of intangible assets		-17.043.141	-12.448.123
Purchase of property, plant and equipment		-33.648.407	-17.326.044
Fixed asset investments made etc		-1.841.038	0
Cash flows from investing activities		**-52.532.586**	**-29.774.167**
Repayment of loans from credit institutions		-4.290.860	-497.894
Reduction of lease obligations		-16.126.558	-7.289.538
Proceeds from loans from credit institutions		70.778.812	0
Lease obligations incurred		23.629.270	12.731.545
Exchange rate adjustments		2.765.587	0
Cash capital increase		55.666.526	0
Capital increase and dividend distribution costs		-1.379.145	0
Cash flows from financing activities		**131.043.632**	**4.944.113**
Change in cash and cash equivalents		**-9.947.570**	**-69.159.417**
Cash and cash equivalents at 1 October 2021		60.119.357	129.278.774
Cash and cash equivalents at 30 September 2022		**50.171.787**	**60.119.357**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		50.171.787	60.119.357
Cash and cash equivalents at 30 September 2022		**50.171.787**	**60.119.357**

Notes to the Financial Statements

		Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
		DKK	DKK	DKK	DKK
1	**Staff expenses**				
	Wages and salaries	145.111.031	76.763.855	112.252.040	67.411.149
	Pensions	9.871.647	5.179.042	4.120.676	4.359.503
	Other social security expenses	3.186.291	1.120.170	2.574.345	1.063.087
	Other staff expenses	5.081.399	2.460.114	4.940.622	2.458.473
		163.250.368	**85.523.181**	**123.887.683**	**75.292.212**
	Including remuneration to the Executive Board of:				
	Executive Board	5.155.842	4.669.848	5.155.842	4.669.848
		5.155.842	**4.669.848**	**5.155.842**	**4.669.848**
	Average number of employees	**168**	**128**	**132**	**102**

The board of directors is authorized under the articles of association of the company to issue warrants and has introduced a warrant program for the executive management and a small number of individual contributors in the company. The warrant program has been unanimously approved by all shareholders and the board of directors has unanimously confirmed each warrant grant made under the warrant program. The total number of warrants under the program is 74,837 of which the executive management has received 16.154 warrants as part of the remuneration for their service. The maturity period is 5 years from the time of granting.

Incentive programmes are not recognised in the Financial Statements.

		Group 2021/22	Group 2020/21	Parent Company 2021/22	Parent Company 2020/21
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	5.985.897	5.032.523	5.985.897	5.032.523
	Depreciation of property, plant and equipment	10.378.252	5.267.005	10.236.495	5.237.565
		16.364.149	**10.299.528**	**16.222.392**	**10.270.088**

Notes to the Financial Statements

		Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
		DKK	DKK	DKK	DKK
3	**Financial income**				
	Interest received from group enterprises	0	0	1.550.179	151.637
	Other financial income	0	144	0	144
	Exchange gains	2.060.084	0	0	0
		2.060.084	**144**	**1.550.179**	**151.781**
4	**Financial expenses**				
	Other financial expenses	5.259.126	2.894.871	5.062.749	2.840.437
	Exchange adjustments, expenses	29.037	66.949	638.564	0
		5.288.163	**2.961.820**	**5.701.313**	**2.840.437**
5	**Tax on profit/loss for the year**				
	Current tax for the year	-4.326.930	-7.373.316	-4.357.859	-7.379.676
	Deferred tax for the year	0	-915.318	0	-915.318
	Adjustment of deferred tax concerning previous years	0	-960.124	0	-960.124
		-4.326.930	**-9.248.758**	**-4.357.859**	**-9.255.118**

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects	Acquired patents	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 October 2021	79.531.550	606.481	3.596.167	0
Additions for the year	0	0	0	17.043.141
Transfers for the year	17.043.141	0	0	-17.043.141
Cost at 30 September 2022	96.574.691	606.481	3.596.167	0
Impairment losses and amortisation at 1 October 2021	44.304.035	547.889	3.596.167	0
Amortisation for the year	5.957.973	27.924	0	0
Impairment losses and amortisation at 30 September 2022	50.262.008	575.813	3.596.167	0
Carrying amount at 30 September 2022	**46.312.683**	**30.668**	**0**	**0**

Development projects relate to the development of new products and features to the Keepit Group's existing SaaS platform. In the financial year the Group has completed patches and new releases relating to its existing platform. The projects are progressing according to plan through the use of ressources allocated by Management to the development. The software is expected to be sold to both existing and new customers.

Notes to the Financial Statements

6 **Intangible assets** (continued)

Parent Company

	Completed development projects	Acquired patents	Goodwill	Development projects in progress
	DKK	DKK	DKK	DKK
Cost at 1 October 2021	79.531.550	606.481	3.596.167	0
Additions for the year	0	0	0	17.043.141
Transfers for the year	17.043.141	0	0	-17.043.141
Cost at 30 September 2022	96.574.691	606.481	3.596.167	0
Impairment losses and amortisation at 1 October 2021	44.304.035	547.889	3.596.167	0
Amortisation for the year	5.957.973	27.924	0	0
Impairment losses and amortisation at 30 September 2022	50.262.008	575.813	3.596.167	0
Carrying amount at 30 September 2022	**46.312.683**	**30.668**	**0**	**0**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 October 2021	46.548.077	1.646.184	48.194.261
Additions for the year	32.277.578	1.370.829	33.648.407
Cost at 30 September 2022	78.825.655	3.017.013	81.842.668
Impairment losses and depreciation at 1 October 2021	15.336.235	970.303	16.306.538
Depreciation for the year	10.185.382	192.870	10.378.252
Impairment losses and depreciation at 30 September 2022	25.521.617	1.163.173	26.684.790
Carrying amount at 30 September 2022	**53.304.038**	**1.853.840**	**55.157.878**
Including assets under finance leases amounting to	39.631.440	0	39.631.440

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent Company

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 October 2021	46.449.315	1.646.184	48.095.499
Additions for the year	31.641.349	1.370.829	33.012.178
Kostpris at 30 September 2022	78.090.664	3.017.013	81.107.677
Impairment losses and depreciation at 1 October 2021	15.328.085	970.303	16.298.388
Depreciation for the year	10.043.625	192.870	10.236.495
Impairment losses and depreciation at 30 September 2022	25.371.710	1.163.173	26.534.883
Carrying amount at 30 September 2022	**52.718.954**	**1.853.840**	**54.572.794**
Including assets under finance leases amounting to	39.631.440	0	39.631.440

Notes to the Financial Statements

	Parent Company	
	2021/22	2020/21
	DKK	DKK

8 Investments in subsidiaries

	2021/22	2020/21
Cost at 1 October 2021	6.308	0
Additions for the year	221.856	6.308
Cost at 30 September 2022	228.164	6.308
Value adjustments at 1 October 2021	-35.345	0
Exchange adjustment	-2.765.587	0
Net profit/loss for the year	6.437.017	-35.345
Value adjustments at 30 September 2022	3.636.085	-35.345
Equity investments with negative net asset value amortised over receivables	0	29.037
Carrying amount at 30 September 2022	**3.864.249**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
KEEPIT USA. Inc.	1209 Orange Street, Wilmington, DE 19801	USD 1.000	100%
Keepit Poland sp. z o.o.	Wroclaw, Poland	PLN 5.000	100%
BORMYL S.A. (Change to Keepit Uruguay S.A. in progress)	Montevideo, Uruguay	USD 2.500	100%
Keepit Germany GmbH	Munich, Germany	EUR 25.000	100%

Notes to the Financial Statements

9 Other fixed asset investments

	Group	Parent Company
	Deposits	Deposits
	DKK	DKK
Cost at 1 October 2021	1.344.381	1.166.582
Additions for the year	1.841.038	1.694.029
Cost at 30 September 2022	3.185.419	2.860.611
Carrying amount at 30 September 2022	**3.185.419**	**2.860.611**

10 Prepayments

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

11 Share capital

The share capital is broken down as follow:

	Number	Nominal value
		DKK
A-shares	540.570	540.570
A2-shares	39.232	39.232
Z-shares	1.000.000	1.000.000
		1.579.802

12 Distribution of profit

	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
	DKK	DKK	DKK	DKK
Reserve for net revaluation under the equity method	0	0	6.437.017	0
Retained earnings	-111.683.627	-52.012.027	-118.120.644	-52.012.027
	-111.683.627	**-52.012.027**	**-111.683.627**	**-52.012.027**

Notes to the Financial Statements

13 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		Parent Company	
	2021/22	2020/21	2021/22	2020/21
	DKK	DKK	DKK	DKK
Credit institutions				
Between 1 and 5 years	70.012.344	11.086.493	70.012.344	11.086.493
Long-term part	70.012.344	11.086.493	70.012.344	11.086.493
Within 1 year	10.784.268	3.222.167	10.784.268	3.222.167
	80.796.612	**14.308.660**	**80.796.612**	**14.308.660**
Lease obligations				
Between 1 and 5 years	6.343.472	4.097.422	6.343.472	4.097.422
Long-term part	6.343.472	4.097.422	6.343.472	4.097.422
Within 1 year	20.559.662	15.302.999	20.559.662	15.302.999
	26.903.134	**19.400.421**	**26.903.134**	**19.400.421**
Deferred income				
Between 1 and 5 years	8.213.107	1.409.864	8.213.107	1.409.864
Long-term part	8.213.107	1.409.864	8.213.107	1.409.864
Within 1 year	57.936.681	25.657.249	46.311.316	24.924.527
	66.149.788	**27.067.113**	**54.524.423**	**26.334.391**

The board of directors is authorized under the articles of association of the company to issue warrants and has introduced a warrant program for the executive management and a small number of individual contributors in the company. The warrant program has been unanimously approved by all shareholders and the board of directors has unanimously confirmed each warrant grant made under the warrant program. The total number of warrants under the program is 74,837. The maturity period is 5 years from the time of granting.

Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

14 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

15 Cash flow statement - adjustments

	Group 2021/22 DKK	Group 2020/21 DKK
Financial income	-2.060.084	-144
Financial expenses	5.288.163	2.961.820
Depreciation, amortisation and impairment losses, including losses and gains on sales	16.364.149	10.299.530
Tax on profit/loss for the year	-4.326.930	-9.248.758
Other adjustments	531.747	-5.793
	15.797.045	**4.006.655**

16 Cash flow statement - change in working capital

	Group 2021/22 DKK	Group 2020/21 DKK
Change in receivables etc.	-28.698.175	-9.807.442
Change in trade payables, etc.	39.354.220	16.445.126
	10.656.045	**6.637.684**

17 Contingent assets, liabilities and other financial obligations

	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
	DKK	DKK	DKK	DKK
Charges and security				
The following assets have been placed as security with bankers:				
All assets have been placed as security for a loan from Vækstfonden and Silicon Valley Bank. The book value of the items comprise a total of:	210.218.200	154.872.343	206.210.061	165.286.244
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3.861.653	3.092.692	2.439.361	2.786.516
	3.861.653	**3.092.692**	**2.439.361**	**2.786.516**

Notes to the Financial Statements

	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
	DKK	DKK	DKK	DKK

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

Other contingent liabilities

Warranty provision	0	893.438	0	893.438

The parent company is jointly and severally liable for tax on the jointly taxed incomes of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Tristate Holding ApS, which is the management company for the joint taxation purposes. Moreover, the parent company is 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 Group's liability.

Notes to the Financial Statements

18 Related parties

	Basis
Controlling interest	
Tristate Holding ApS	Ultimate Parent Company
Keepit Holding ApS	Parent Company

Transactions

The Group and Parent 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.

Consolidated Financial Statements

The Group is included in the Group Annual Report of:

Name	Place of registered office
Tristate Holding ApS	Denmark

The Group Annual Report of Tristate Holding ApS may be obtained at the following address:

Per Henrik Lings Allé 4, 7.
2100 Copenhagen
Denmark

19 Subsequent events

Keepit has on 28 February 2023 secured further capital resources in form of debt funding of USD 5m which together with the already existing venture debt funding from March 2022 enable Keepit to draw down a total of USD 17.5m to strengthen the cash position in addition to the USD 10m already drawn on the balance sheet date. This means that Keepit on 28 February 2023 has approx. DKK 140m in cash resources available.

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

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Keepit A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021/22 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, 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.

Notes to the Financial Statements

20 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.

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.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Revenue

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of

Notes to the Financial Statements

20 Accounting Policies (continued)

discounts relating to sales.

Hosting and other transmission expenses

Hosting and other transmission expenses comprise the consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise 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.

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.

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 subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

20 Accounting Policies (continued)

Balance Sheet

Intangible assets

Development projects, patents and licences

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

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 10 years. Software licences are amortised over the period of the agreement, which is 10 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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:

Property, plant and equipment	3-6 years
Leasehold improvements	7 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Right-of-use assets

Rights-of-use assets and lease liabilities have been recognized for those leases previously classified as operating leases, except for short-term leases and leases of low value assets. The rights-of-use assets have been recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate.

Recognition exemptions and practical expedients applied:
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains option to extend or terminate.
- Exempted short-term lease contracts with a remaining duration of 12 months or less as at September 30th 2022.

For contracts which are, or contain, a lease, Keepit recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using Keepit's incremental borrowing rate.

The lease liability is measured using the effective interest method. It is remeasured when there is a

Notes to the Financial Statements

20 Accounting Policies (continued)

change in future lease payments, typically due to a change in index or rate (e.g. inflation) on property leases, or if there is a reassessment of whether an extension or termination option will be exercised. A corresponding adjustment is made to the right-of-use asset, or in the income statement when the right-of-use asset has been fully depreciated.

The right-of-use asset is presented in Property, Plant and Equipment and the lease liabilities in non-current liabilities or current liabilities.

Lease contracts that have a lease term of less than 12 months and low value assets are not recognized on the balance sheet. These lease payments are expensed on a straight-line basis over the lease term.

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.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

20 Accounting Policies (continued)

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

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

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, including the tax base of tax loss carry-forwards, 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.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, 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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

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 ”Cash at bank and in hand” and ”Current asset investments”. ”Current asset investments” consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$

Notes to the Financial Statements

20 Accounting Policies (continued)

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