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# *AX VI itm8 Holding ApS*

Dalgas Plads 7, DK-7400 Herning

## Annual Report for 2023

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CVR No. 42 52 02 92

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 28/6 2024

Jesper Frydensberg  
Rasmussen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of AX VI itm8 Holding ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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.

Herning, 28 June 2024

## Executive Board

Henrik Vestergaard Kastbjerg

Mikael Kjærgaard

## Board of Directors

Frank Vium  
Chairman

Christian Bamberger Bro  
Vice chairman

Henrik Vestergaard Kastbjerg

Björn Larsson

# Independent Auditor's report

To the shareholder of AX VI itm8 Holding ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AX VI itm8 Holding ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 28 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jacob F Christiansen  
State Authorised Public Accountant  
mne18628

Henrik Junker Andersen  
State Authorised Public Accountant  
mne42818

## Company information

<b>The Company</b>	AX VI itm8 Holding ApS Dalgas Plads 7 7400 Herning  CVR No: 42 52 02 92 Financial period: 1 January - 31 December Municipality of reg. office: Herning
<b>Board of Directors</b>	Frank Vium, chairman Christian Bamberger Bro, vice chairman Henrik Vestergaard Kastbjerg Björn Larsson
<b>Executive Board</b>	Henrik Vestergaard Kastbjerg Mikael Kjærgaard
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Management's review

## Key activities

We are on a dual mission: to unlock today's potential for improvement and to innovate tomorrow's solutions for transformation. At the same time. Together with our customers. We simply want to become the ultim8 IT partner. Nothing less.

We are only satisfied when we complete both of our missions with our customers. To us, impact means making a difference in both today's and tomorrow's business.

We continue to work to create the most attractive ecosystem for ambitious IT talents and companies with a sharp focus on collaboration, innovation, development, and value creation.

In itm8, all customers and colleagues are partners with a common goal of strengthening the business today and creating tomorrow's business together.

Together with our fantastic colleagues and customers, we have created a group with huge growth potential. The itm8 name emphasizes our focus on active collaboration and desire to continue expanding the family through acquisitions.

In short, we want to be the best partner and teamm8 for customers and the most skilled specialists and companies in the IT industry.

## Development in the year

The income statement of the Company for 2023 shows a profit of TDKK 33,033, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 4,247,290.

The profit is, as expected, significantly affected by financial income and expenses.

## Subsequent events

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

## Operating risks

Risk management is essential to stay ahead of the rapidly changing market in which we operate. We therefore work continuously to identify the most critical risks and actions to mitigate them. The Board of Directors frequently reviews these risks and mitigating actions, using them as a basis for launching new initiatives.

## Management's review

Risk	Mitigating actions
Ability to develop new and existing customers	<ul style="list-style-type: none"> <li>• Digital transformation initiatives</li> <li>• Flexible delivery models (own data centres, own cloud, and public cloud)</li> <li>• Marketing, monitoring and dedicated client account models</li> <li>• Competitive prices through business excellence initiatives</li> <li>• Robotic Process Automation (RPA) and Artificial Intelligence (AI)</li> <li>• Governance model to support differentiated customer segments</li> </ul>
Contractual and legal/compliance risks, including General Data Protection Regulation (GDPR)	<ul style="list-style-type: none"> <li>• Contract management framework to improve and monitor obligations</li> <li>• Data Protection Officer (DPO) appointed</li> <li>• Comprehensive GDPR training of employees</li> <li>• Broad and mandatory compliance training targeted specific functional roles within itm8</li> </ul>
Attracting and retaining talent	<ul style="list-style-type: none"> <li>• Trainee and specialist training programmes</li> <li>• Focus training programmes on new technologies</li> <li>• Systematic appraisal interviews</li> <li>• Strategic collaboration with educational institutions</li> <li>• Branding</li> </ul>
Operation and delivery, including cyber security	<ul style="list-style-type: none"> <li>• Advanced and redundant data centre setup</li> <li>• Security roadmap</li> <li>• Flexible delivery setup</li> <li>• Project and delivery management</li> <li>• Security and compliance team</li> </ul>

### Interest rate risks

The Company's debt to credit institutions is based on floating interest rates. The Company manages its financial risks through hedging instruments.

### Currency risks

The Company has senior debt in SEK related to the acquisition of Swedish subsidiaries. The Company does not hedge this type of currency risk. Net cash flow in SEK in the Group is however effectively hedged through structuring of debt.



# Management's review

## Corporate Governance

With the Danish private equity firm Axcel as the principal shareholder, the Group is subject to the guidelines of the Active owners Denmark ([www.aktiveejere.dk](http://www.aktiveejere.dk)) for responsible ownership and corporate governance. itm8 Group intends to fully comply with all the guidelines where it is relevant.

Management's focus on corporate governance is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act, the company's articles of association, the company's internal corporate governance policy and good practice from comparable companies.

In addition, the management is continuously monitoring the development in the field of corporate governance to ensure that the Group, internally as well as externally, is managed in a way that is in accordance with applicable laws in order to protect the interests of all stakeholders.

## Board of Directors

The Board of Directors of the itm8 Group ensures that the Executive Board complies with the objectives, strategies and business processes decided by the Board of Directors. Moreover, the Board of Directors ensures on an ongoing basis that the governance structure and control systems are appropriate and working well.

The Board of Directors of itm8 Group (AX VI itm8 Holding ApS) consists of four members. The principal shareholder Axcel has appointed Christian Bamberger Bro, Björn Larsson, and Henrik Vestergaard Kastbjerg. The Chairman of the Board Frank Vium is independent.

The Board of Directors has adopted the rules of procedure for the Board of Directors. In addition, the Board of Directors uses committees for special tasks. Thus, an Audit Committee and a Chairmanship Committee have been established.

The following board members are represented on the committees:

- Frank Vium
- Christian Bamberger Bro
- Henrik Vestergaard Kastbjerg

The Board of Directors meet on a predetermined schedule of meetings at least four times a year. Usually there is an annual strategy seminar in connection with an ordinary board meeting. Main purpose of the strategy summit is to evaluate and further define the objectives and strategy of the Group.

The chairmanship committee meets with the management of the company on a monthly basis except for months with Board meetings.

Formal audit committee meetings are held a minimum of one time per year in connection with approval of the Annual Report and otherwise topics are discussed informally between the audit committee members outside the ordinary committee meetings. The committee monitor and assess overall risk and compliance matters based on input from external auditors among others.

itm8 Group's Board of Directors and Executive Board hold other positions as described below:

# Management's review

## **Frank Vium, Chairman**

Elected: October 2022 by Axcel

Nationality: Danish

Board function: Chairman, non-executive, independent director

Profession: Professional board member

Chairman of the Board of Directors in:

- AX VI itm8 Holding ApS
- MediaGeneration A/S

Member of the Board of Directors in:

- Enabled Robotics ApS
- UbiqiSense ApS

Executive Officer in:

- Sofienlund ApS

## **Christian Bamberger Bro, Vice Chairman**

Elected: October 2022 by Axcel

Nationality: Danish

Board function: Vice Chairman, non-executive, non-independent director

Profession: Partner, Axcel Management A/S

Chairman of the Board of Directors in:

- AX V Phase One Holding III ApS\*
- AX VI Addpro Group AB
- AX VI INV7 Holding III ApS\*
- emagine Holding III ApS\*
- Loopia Holding III AB\*
- SuperOffice Holding III AS\*

Vice Chairman of the Board of Directors in:

- AX VI itm8 Holding ApS
- emagine Holding ApS\*
- SuperOffice Group AS

Member of the Board of Directors in:

- AX VI INV8 Holding III A/S\*
- AX VI itm8 Holding III ApS\*
- Axcel Management Holding ApS
- Loopia Aktiebolag
- Phase One Group ApS\*

Executive Officer in:

- emagine Holding II ApS\*
- FOCKS HOLDING ApS
- itm8 Topco ApS

\* and group related companies.

# Management's review

## **Björn Larsson, Partner**

Elected: October 2022 by Axcel

Nationality: Swedish

Board function: non-executive, non-independent director

Profession: Partner, Axcel Management A/S

Chairman of the Board of Directors in:

- AX VI INV2 Holding I AB
- AX VI VET Holding III ApS\*
- AX VII INV2 Holding III AB\*

Member of the Board of Directors in:

- AX VI Addpro Group AB
- AX VI INV2 Holding III AB\*
- AX VI itm8 Holding II ApS
- AX VI VET Holding ApS
- AX VII Invest III AB\*
- Gowtal AB
- Latwog AB
- SuperOffice Group AS\*

Executive Officer in:

- Gowtal ApS

\* and group related companies.

## **Henrik Vestergaard Kastbjerg, Group CEO**

Elected: October 2022 by Axcel

Nationality: Danish

Board function: executive, non-independent director

Profession: Group CEO, itm8 Group

Chairman of the Board of Directors in:

- itm8 A/S\*

Member of the Board of Directors in:

- AX VI itm8 Holding ApS (itm8 Group)\*
- AX VI itm8 Holding II ApS
- Finance Facility VI ApS, real estate investments and development
- Finance Facility II ApS, real estate investments and development
- Finance Facility III ApS, real estate investments and development
- Finance Facility Administration ApS, real estate investments and development
- Mojo Capitals II A/S, real estate investments and development
- Mojo Capitals I A/S, real estate investments and development
- Mojo Capitals Management ApS, real estate investments and development
- HSPL Invest II ApS, real estate investments and development

# Management's review

Executive Officer in:

- AX VI itm8 Holding ApS (itm8 Group)\*
- AX VI itm8 Holding II ApS
- PSH Holding 1 ApS, co-executive director, passive equity investment
- KASTBJERG INVEST ApS, executive director, passive holding company
- Kastbjerg Invest Daytona ApS, executive director, passive equity investment
- 64 Holding ApS, executive director, passive private investments
- Kastbjerg Ejendomme III ApS, executive director, passive private investments
- Kastbjerg Invest Venture I ApS, executive director, passive private investments
- Kastbjerg Invest KD ApS, executive director, passive private investments
- Marbella Ejendomme ApS, co-executive director, real estate investments
- Impact Invest Herning ApS, co-executive director, passive equity investments
- Kastbjerg Ejendomme II ApS, executive director, real estate investments

\* and group related companies.

## Financial reporting and control environment

The Board of Directors and Executive Board set out general requirements for business processes and internal controls. A number of policies are defined by the Executive Board and approved by the Board of Directors. The overall operational responsibility for risk management and internal controls relating to financial reporting rests with the Executive Board. The Audit Committee appointed by the Board of Directors assesses at regular intervals itm8 Group's overall organisational structure and organisation and the staffing of the functions that are important to internal controls and risk management.

In collaboration with the local management of the individual subsidiaries, the Executive Board of itm8 Group assesses whether the Group has an appropriate and effective control environment. The Executive Board reports regularly to the Board of Directors on the development of the Group's operations, the financial performance and risk position.

The Group's central finance function is responsible for risk management and internal controls relating to financial reporting. The Group finance function prepares Group accounting policies and instructions and ensures that the Group has permanent procedures in place for the preparation of financial statements, including an assessment of new accounting regulation and the presentation of the financial reporting to the Group's stakeholders.

The Board of Directors and Executive Board receive monthly reports with detailed financial follow-up. In addition, the Board of Directors on a bi-monthly status receive an update on significant operational, organizational and other significant matters of which not necessarily all represents a tangible value. In this bi-monthly reporting, development of existing projects (customer-faced as well as internal projects) are also reported on in this bi-monthly reporting, noting, that customer projects and matters exceeding pre-defined thresholds set out in the Rules of Procedure, noting, however, that the Board of Directors are involved closely in matters exceeding same thresholds.

The Annual Report of AX VI itm8 Holding ApS will be available at <https://itm8.com/about-itm8>.

## Shareholders and capital structure

AX VI itm8 Holding III ApS, Herning, Denmark, owns 84.38% of:

- AX VI itm8 Holding II ApS, Herning, Denmark, which owns 100% of:
- AX VI itm8 Holding I ApS, Herning, Denmark, which owns 100% of:
- AX VI itm8 Holding ApS, Herning, Denmark.

AX VI itm8 Holding III ApS is ultimately owned by the Danish private equity fund (Axcel VI) with 56.6% of the share capital, and the rest of the share capital is owned by Chr. Augustinus Fabrikker Aktieselskab, Ares investing intities, and Dansk Vækstkapital II K/S. The share capital of AX VI itm8 Holding III ApS consists of 3 share classes.

## Management's review

Certain members of the Board of Directors and key employees have invested in AX VI itm8 Holding II ApS.

Loan capital is provided to AX VI itm8 Holding II ApS and AX VI itm8 Holding ApS by Ares and Nykredit.

The current capital structure is deemed appropriate in relation to the need for financial flexibility in the Group and supports the Group's strategy and value creation.

## Income statement 1 January - 31 December

	Note	2023	2021/22
		TDKK 12 months	TDKK 18 months
Gross loss		-3,782	-53,958
Staff expenses	1	-5,940	-406
<b>Profit/loss before financial income and expenses</b>		<b>-9,722</b>	<b>-54,364</b>
Financial income	2	431,319	86,209
Financial expenses		-376,175	-65,966
<b>Profit/loss before tax</b>		<b>45,422</b>	<b>-34,121</b>
Tax on profit/loss for the year	3	-12,389	-3,301
<b>Net profit/loss for the year</b>		<b>33,033</b>	<b>-37,422</b>

### Distribution of profit

	2023	2021/22
	TDKK	TDKK
<b>Proposed distribution of profit</b>		
Retained earnings	33,033	-37,422
	<b>33,033</b>	<b>-37,422</b>

## Balance sheet 31 December

### Assets

	Note	2023	2021/22
		TDKK	TDKK
Investments in subsidiaries	4	3,588,110	3,191,697
Receivables from group enterprises		3,810,123	3,961,516
<b>Fixed asset investments</b>		<b>7,398,233</b>	<b>7,153,213</b>
<b>Fixed assets</b>		<b>7,398,233</b>	<b>7,153,213</b>
Receivables from group enterprises		106,441	85,577
Other receivables		3,266	3,489
<b>Receivables</b>		<b>109,707</b>	<b>89,066</b>
Cash at bank and in hand		50,912	85
<b>Current assets</b>		<b>160,619</b>	<b>89,151</b>
<b>Assets</b>		<b>7,558,852</b>	<b>7,242,364</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2021/22
		TDKK	TDKK
Share capital		4,160	4,160
Retained earnings		4,243,130	4,141,097
<b>Equity</b>		<b>4,247,290</b>	<b>4,145,257</b>
Credit institutions		3,201,917	3,021,457
<b>Long-term debt</b>	5	<b>3,201,917</b>	<b>3,021,457</b>
Credit institutions	5	0	72,349
Payables to group enterprises		2,640	0
Corporation tax		15,690	3,301
Other payables		91,315	0
<b>Short-term debt</b>		<b>109,645</b>	<b>75,650</b>
<b>Debt</b>		<b>3,311,562</b>	<b>3,097,107</b>
<b>Liabilities and equity</b>		<b>7,558,852</b>	<b>7,242,364</b>
Contingent assets, liabilities and other financial obligations	6		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	4,160	4,141,097	4,145,257
Contribution from group	0	69,000	69,000
Net profit/loss for the year	0	33,033	33,033
<b>Equity at 31 December</b>	<b>4,160</b>	<b>4,243,130</b>	<b>4,247,290</b>

# Notes to the Financial Statements

	2023 TDKK 12 months	2021/22 TDKK 18 months
<b>1. Staff Expenses</b>		
Wages and salaries	5,263	353
Pensions	671	53
Other social security expenses	6	0
	<u>5,940</u>	<u>406</u>
Average number of employees	<u>2</u>	<u>0</u>
	2023 TDKK 12 months	2021/22 TDKK 18 months
<b>2. Financial income</b>		
Interest received from group enterprises	428,801	85,506
Other financial income	256	299
Exchange gains	2,262	404
	<u>431,319</u>	<u>86,209</u>
	2023 TDKK 12 months	2021/22 TDKK 18 months
<b>3. Income tax expense</b>		
Current tax for the year	<u>12,389</u>	<u>3,301</u>
	<u>12,389</u>	<u>3,301</u>
	2023 TDKK	2021/22 TDKK
<b>4. Investments in subsidiaries</b>		
Cost at 1 January	3,191,697	0
Additions for the year	396,413	3,191,697
Cost at 31 December	<u>3,588,110</u>	<u>3,191,697</u>
Carrying amount at 31 December	<u>3,588,110</u>	<u>3,191,697</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2021/22</u>
	TDKK	TDKK
<b>5. Long-term debt</b>		
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:		
<b>Credit institutions</b>		
After 5 years	0	0
Between 1 and 5 years	3,201,917	3,021,457
Long-term part	3,201,917	3,021,457
Other short-term debt to credit institutions	0	72,349
	<u>3,201,917</u>	<u>3,093,806</u>

	<u>2023</u>	<u>2021/22</u>
	TDKK	TDKK
<b>6. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with third party		
Investments in subsidiaries	3,588,110	3,191,697

### Other contingent liabilities

The 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.

# Notes to the Financial Statements

## 7. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
AX VI itm8 Holding III ApS	Herning
AX VI itm8 Holding I ApS	Herning

## 8. Subsequent events

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

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of AX VI itm8 Holding ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of AX VI itm8 Holding I ApS, the Company has not prepared consolidated financial statements.

### Recognition and measurement

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

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

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

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

### Business combinations

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time 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 differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

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.

# Notes to the Financial Statements

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

## Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

## Income statement

### Revenue

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 Company. 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 expenses for premises, sales as well as office expenses, etc.

### Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

### 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

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

## Balance sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### 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.

### 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 liabilities

Loans, such as 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.

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