AX VI itm8 Holding I ApS

Dalgas Plads 7B, DK-7400 Herning

Annual Report for 2023

CVR No. 43 24 18 77

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/5 2024

Jesper Frydensberg Rasmussen
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 AX VI itm8 Holding I 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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, 30 May 2024

Executive Board

Jesper Frydensberg Rasmussen

Board of Directors

Christian Bamberger Bro

Björn Larsson

Independent Auditor's report

To the shareholder of AX VI itm8 Holding I 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 2023 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 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AX VI itm8 Holding I 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, 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 Financial 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.

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 Parent 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 Parent 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 Group´s and the Parent 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 Group´s and the Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 30 May 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

The Company	AX VI itm8 Holding I ApS Dalgas Plads 7B 7400 Herning CVR No: 43 24 18 77 Financial period: 1 January - 31 December Municipality of reg. office: Herning
Board of Directors	Christian Bamberger Bro Björn Larsson
Executive Board	Jesper Frydensberg Rasmussen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2023	2022
	TDKK 12 months	TDKK 8 months
Key figures		
Profit/loss		
Revenue	2,474,202	664,827
Gross profit	1,331,369	267,730
Profit/loss of primary operations	-165,330	-148,539
Profit/loss of financial income and expenses	-376,761	-87,663
Net profit/loss for the year	-532,357	-231,484
Balance sheet		
Balance sheet total	8,400,343	8,620,543
Investment in property, plant and equipment	41,828	14,099
Equity	3,460,776	3,918,293
Cash flows		
Cash flows from:		
- operating activities	71,049	-74,531
- investing activities	-248,572	-1,482,468
- financing activities	108,167	1,727,877
Change in cash and cash equivalents for the year	-69,356	170,878
Number of employees	1,691	422
Ratios		
Gross margin	53.8%	40.3%
Profit margin	-6.7%	-22.3%
Return on assets	-2.0%	-1.7%
Solvency ratio	41.2%	45.5%
Return on equity	-14.4%	-11.8%

The numbers of 2022 represent the activities for 3 months due to the two business acquisitions completed in the beginning of October 2022.

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 shows a revenue of DKK 2,474m compared to DKK 665m in 2022 (activities for 3 months) and an EBITDA of DKK 309m compared to DKK -29m in 2022. The revenue is in the lower interval of expected DKK 2,500-2,600m and EBITDA is above the expected level of DKK 250-300m.

In October 2023 we completed the acquisition of the Danish IT company JDM which is headquartered in Odense and has 68 skilled and dedicated employees. With the acquisition, itm8 strengthens its strategic focus on digital transformation, with emphasis on Microsoft 365 solutions and concepts.

EBITDA is materially influenced by costs related to acquisitions, restructurings, and integration-related activities. Underlying earnings performance is at a satisfactory level and support the growth journey of the Group.

Targets and expectations for the year ahead

We are starting the new year on an ambitious and optimistic note. Based on our one itm8 initiative, strategic acquisitions, internationalization and supported by premier private equity sponsor, Axcel, in cooperation with Chr. Augustinus Fabrikker and Ares, we are strongly positioned to embrace the future. Our targets for 2024 are ambitious – in terms of both revenue and EBITDA. 2024 will also be a year influenced by transaction and integration related costs. Based on current projections and business trajectory we expect revenue for FY 2024 in the level of DKK 2,700-2,800m and EBITDA to be in the level of DKK 325-375m.

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.

Risk	Mitigating actions
Ability to develop new and existing customers	• Digital transformation initiatives • Flexible delivery models (own data centres, own cloud, and public cloud) • Marketing, monitoring and dedicated client account models • Competitive prices through business excellence initiatives • Robotic Process Automation (RPA) and Artificial Intelligence (AI) • Governance model to support differentiated customer segments
Contractual and legal/compliance risks, including General Data Protection Regulation (GDPR)	• Contract management framework to improve and monitor obligations • Data Protection Officer (DPO) appointed • Comprehensive GDPR training of employees • Broad and mandatory compliance training targeted specific functional roles within itm8
Attracting and retaining talent	• Trainee and specialist training programmes • Focus training programmes on new technologies • Systematic appraisal interviews • Strategic collaboration with educational institutions • Branding
Operation and delivery, including cyber security	• Advanced and redundant data centre setup • Security roadmap • Flexible delivery setup • Project and delivery management • Security and compliance team

Interest rate risks

The Group's senior debt (in AX VI itm8 Holding ApS) and credit lines are based on floating interest rates. The Group manages its financial risks through hedging instruments.

Currency risks

Exchange rate fluctuations related to the translation of primarily Swedish entities constitute a currency risk in SEK. The group does not hedge this type of currency risk.

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

Credit risks

The Group's credit risks related to trade receivables are recognized and measured in the balance sheet.

Statement on corporate social responsibility, cf. Section 99 a of the Danish Financial Statements Act

Business model

We are the leading digital transformation partner to the mid-market in Denmark and Sweden and a Nordic champion in mission-critical managed IT services with mid-market-tailored E2E offering. This through our growth ecosystem where new capabilities are productized and scaled across itm8's brand ecosystem with access to 5k+ clients. Our ecosystem is based on a strong and established platform, making it extremely agile and scalable.

Environment

<table>
<tr><th colspan="2">Policy</th></tr>
<tr><td colspan="2">Environmental policy
As a service and IT company without production sites, the Group has a low environmental impact. Even so, we recognise the environmental impact of businesses and therefore make a committed effort to reduce our impact.

We are taking action to reduce our impact on the environment, for instance by consolidating data centers and office locations, and implementing a comprehensive waste management system in our offices and kitchens and by minimising our air, train and car travel activity. We strive to use technology as often as possible – and when travel activity is unavoidable, we try to reduce our impact through carpooling and shared hotel accommodation.

Climate change policy
We recognise the risks related to climate change and are committed to cutting our emissions. To reduce the impact on the environment, we aim to consolidate and optimise our data centres. We continuously focus on replacing and investing in new IT equipment with lower energy consumption.</td></tr>
<tr><th>Risks</th><th>Mitigating actions</th></tr>
<tr><td>Increased energy costs</td><td>- Energy consumption – we continuously measure our energy consumption at our data centers to find ways of lowering our usage</td></tr>
<tr><th colspan="2">Key figures for 2023</th></tr>
<tr><td colspan="2">In 2023 the annual CO2e calculations were conducted using the global standard GHG protocol. In itm8 the calculations were made on scope 1 direct emissions, scope 2 indirect emissions and scope 3 emissions on selected categories. The total scope 1 and 2 emissions were location-based 1,542.0 tCO2e and market-based 1,051.5 tCO2e. Based on the total scope 1 and 2 the tCO2e pr. FTE was location-based 0.91 tCO2e/FTE and market-based 0.62 tCO2e/FTE. The reasoning for the difference in location-based and market-based calculations are because of itm8's purchasing of renewable energy through third party approved certificates. The total scope 3 emissions were 2,668.7 tCO2e.

Within scope 3 we have started collecting data within the following categories: purchased goods and services (water consumption), employee commuting, upstream leased assets (co-located external datacenters), business travel (company travel by personal vehicles), and fuel-and-energy related activities (same as scope 1).

Within scope 3 the data used are from these different factors. Purchased goods and services (water consumption), employee commuting, upstream leased assets (co-located external datacenters), business travel (company travel by personal vehicles), and fuel-and-energy related activities (same as scope 1).

Data collection process
We use a climate tool provided by a recognized external consultancy firm. This has provided us a better overview of CO2e emissions across our organization and improved our way of structuring data. Furthermore, it will make it easier for us to view our CO2e results, generate reports and prioritize CO2e hotspot reduction initiatives.</td></tr>
</table>

In scope 1 we learned that it still is important for us to figure out how we can reduce our transport emissions and therefore, we will continue to work within this area in 2024. Within the transport area we have new initiatives as transport campaign promoting bicycling, public transportation, carpooling etc. Furthermore, we have introduced a new company vehicle policy stating that all new vehicles provided to employees must be emission efficient (A+ or lower emission). We find this initiative an important step for us to lower our emissions from vehicles. From a scope 2 point of view, we gathered data across all our office facilities and datacenters by looking at their utility consumption individually. In 2024 we will continue our work and establish an optimized way of gathering data from several databases, invoices etc. This has the focus area of generating a higher quality of necessary utility data.
Expectations for the future
The Group intends to develop ways in reducing CO_2 emissions to decrease the overall carbon footprint of the Group. The Group is preparing for the upcoming CSRD legislation and work towards setting ambitious ESG targets.

Social and employee matters

Policy	
Health and safety policy Our occupational health and safety policy sets out our commitment to managing health and safety in the workplace effectively. As all our employees are office-based, our key focus areas are workstation ergonomics, eye strains (tired and dry eyes) and stress management. All employees are required to perform a workplace assessment to help identify possible areas for improvement. Our industrial injuries insurance provides comprehensive cover for all employees and quick access to preventive health care if necessary – including but not limited to stress relief and counselling. **Code of Conduct** Our Code of Conduct sets the standard for what we expect of all our employees. In addition to our core values, the code describes the expectations we have of our employees' ethics, communication and behaviour.	
Risks	**Mitigating actions**
Not being able to attract and retain talent	- Conducting employee engagement, surveys and feedback - Focus on transparency, ownership, accountability and relationships - Focus on relations to employees and between employees - Involvement in decision-making processes - Focus on delegation - Focus on diversity - Employee pay and staff benefits proposition
Non-compliance with our Code of Conduct	- New joiner training in our Code of Conduct - Anonymous feedback tool
Stress-related absence	- Stress-related training and support Stress relief via employee health insurance
Ergonomic conditions	- Workplace assessment - Equipment such as adjustable tables and chairs
Low gender diversity	- Focus area in the recruitment process - Inclusion as a focus area
Key figures for 2023	
100% of new employees completed Code of Conduct training in 2023.	

Expectations for the future
The coming year, we will focus on initiatives that lead to reducing stress-related absence through prevention and enhancing our capabilities within stress management. We will also continue working locally on action plans to prevent accidents.

Human rights

Policy	
Human rights policy It is our policy to conduct business in an honest and ethical manner. We take a zero tolerance approach to any incidents of violation of human rights. We are committed to acting professionally, fairly and with integrity with all employees, in all our business dealings and relationships. Diversity and inclusion are fundamental principles in our culture and values. We are committed to implementing and enforcing effective systems to counter violation of human rights. This commitment is fully integrated into our Code of Conduct and forms the core of our ethical framework.	
Risks	**Mitigating actions**
There is a risk of breach in the of code of conduct in the supply chain and hence litigation and loss of reputation resulting from non-compliance. The company has incorporated a simple, yet robust supply chain structure as part of our activities. We consider the risk limited, as most of our suppliers are located in Denmark or Western Europe.	- A whistleblowing system is available for employees and external stakeholders to make use of if they experience incidents that do not comply with the terms of Code of Conduct. - We actively monitor our supply chain and aim to work with reputable suppliers who are reliable and transparent to ensure that no one acts in violation of human rights.
Key figures for 2023	
The company is committed to the United Nations Universal Declaration of Human Rights. In 2023, our monitoring work has not given rise to any comments, and we therefore believe that our suppliers continue to comply with our policy.	
Expectations for the future	
In 2024, we will continue our efforts in monitoring our suppliers to make sure that they comply with our human rights policy. We will continue to make sure that new employees will complete the Code of Conduct training.	

Anti-corruption and anti-bribery

Policy	
Anti-bribery and anti-corruption policy It is our policy to conduct business in an honest and ethical manner. We take a zero tolerance approach to any incidents of bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. We are committed to implementing and enforcing effective systems to counter bribery and corruption. Our anti-corruption and competition policy states what we expect of employees, including how to deal with gifts, third parties and suppliers.	
Risks	**Mitigating actions**
Not thorough screening of external vendors/partners. If we engage with non-compliant vendors/partners there is a risk of losing key/public customers or employees.	- Gifts and entertainment policy - Anti-bribery and corruption training of employees - Anti-bribery clause included in vendor contracts

Key figures for 2023
- 100% of new employees completed Code of Conduct training in 2023 - No instances of corruption were reported in 2023
Expectations for the future
In 2024, we will continue our efforts in monitoring our suppliers to make sure that they comply with our anti-bribery and anti-corruption policy. We will continue to make sure that new employees will complete the Code of Conduct training.

Statement on gender composition, cf. Section 99 b of the Danish Financial Statements Act

Diversity and inclusion are core areas in the organisation. Every employee has the right to work in an environment that offers equal opportunities for all – regardless of ethnicity, social origin, religion, gender, sexual orientation, age and disability. That is our conviction, and we are doing our utmost to build and maintain such an environment.

We want to be an organisation with equal opportunities for all. An organisation where everyone has an equal chance to seek and obtain employment – without suffering discrimination. We do not tolerate any form of harassment and discrimination. We have communicated this clearly to our employees in our equal opportunities policy and in our Code of Conduct.

AX VI itm8 Holding I ApS	Target for underrepresented gender	Share of underrepresented gender
		2023
Board of Directors	Not required	0% (0/2)
Upper Management	Not required	0% (0/0)

The Board of Directors consists of two members, both being men. The company is not required to set targets for gender composition in the Board of Directors due to the number of members.

AX VI itm8 Holding I ApS has no employees and is not required to set targets for the underrepresented gender in the Upper Management level.

Statement on date ethics, cf. Section 99 d of the Danish Financial Statements Act

Background and purpose

The use of data is an integral part of the daily work of itm8 Group, and we strive to be fact-based and data-driven in our decisions. The purpose is to establish itm8 Group's approach to good data ethics and the principles that apply to how itm8 Group complies with applicable legislation for the area and processes data ethically, correctly, and responsibly. The use of data always takes place in respect of our social responsibility and in accordance with applicable law. This place demands on the way we register, maintain, process, and use our data. The policy for data governance and data ethics applies to the entire itm8 Group.

Basic attitudes

Itm8 Group's processing of data is based on the following basic beliefs;

- Using data for fact-based decisions is a prerequisite for delivering an attractive product to customers and running an effective and credible business.
- The protection of our employees' personal data is an important and prioritized task and an important task as an employer.
- Data is an asset in the governance of itm8 Group and we manage our data carefully according to its confidentiality, integrity and availability.
- Good data ethics go beyond the regulation that applies to the area and we demonstrate social responsibility in our processing and use of data.
- Security measures must correspond to the sensitivity of the data being processed.
- Itm8 Group does not sell any data to any third party or take advantage of it in any unjustified or unintentional way.

The processing of data

We comply with our basic beliefs by:

- Make demands for ourselves and each other to be fact-based in our arguments and decisions.
- Be accurate in our records of data.
- Be meticulous in our processing of data to achieve a high data quality and ensure the validity of data.
- Not collect more data than we need and do not keep it longer than necessary.
- Ensure decentral anchored business ownership of data where data is best known and comply with the responsibilities that come with it as a local data owner.
- Prioritize our efforts – we have large amounts of data in itm8 Group, and we therefore focus on improving the data quality of the data we use in our business decisions.
- Classify and prioritize data according to different levels of sensitivity and confidentiality – and ensure that the subsequent processing of data reflects this.
- Process data in accordance with applicable compliance requirements – and ask if we are in doubt.
- Give high priority to the protection of personal data.
- Respect customers and employees' rights to their own data, and thus do not oppose disclosure and/or deletion.

When choosing partners, we strive to ensure that our partners process data in the same way as we would ourselves, and thus respect the same basic beliefs.

Principles of Good Data Ethics

Itm8 Group's principles of data ethics are;

Title:

We do not use customers', employees', or partners' data without the necessary legal basis.

Transparency and predictability:

When we collect data, we also commit to ensuring transparency about the subsequent use of data.

We process data in ways that are consistent with the intentions, expectations and understanding of the transferring party. Thus, for example, personal data may not be processed for new purposes that are incompatible with the purposes for which the personal data was originally collected, and data must not be used in ways that have unjustified negative effects on the data owner. In connection to this, Itm8 Group assesses whether the use of personal data can be justified objectively and that the processing is compatible with what can be expected in a free and democratic society and in accordance with human rights and applicable law, and our use of personal data must not discriminate against, for example, gender, race, ethnicity or communities.

Confidentiality:

We protect personal data and protect it so that it does not end up in the wrong hands.

Proportionality:

We never collect data unless the purpose is clear, and we always collect only the necessary data according to the purpose. We try to create as much value as possible from the data we collect.

Use of algorithms:

We are particularly aware of the ethical challenges that may arise from the use of machine learning and algorithms, and thus strive to ensure that decisions about the use of these technologies are made in conjunction with considerations regarding the remuneration of this policy.

Data security

Some of the companies in the itm8 Group are certified according to ISO/IEC27001:2013 and have ISAE 3402 Type II and ISAE 3000 Type II statements of assurance prepared. This helps to document that these companies meet and comply with the requirements for data protection, information security and good IT practice. For all companies in itm8 Group, processes have been initiated with the purpose of ensuring that the companies work according to the standards etc. that form the basis of the said certifications and declarations. Among other things, this is with the aim of preparing the entire itm8 Group for NIS2.

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) 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:

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.

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

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.

The Parent’s equity consists of one (1) class of shares and the loan capital consists of bank debt, provided by Ares and Nykredit.

The current capital structure is deemed appropriate in relation to the need for financial flexibility in the Group.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK 12 months	TDKK 8 months	TDKK 12 months	TDKK 8 months
Revenue	1	2,474,202	664,827	0	0
Other operating income		279	464	0	0
Direct expenses		-933,073	-282,788	0	0
Other external expenses		-210,039	-114,773	-106	0
Gross profit		**1,331,369**	**267,730**	**-106**	**0**
Staff expenses	2	-1,022,006	-296,983	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-474,490	-119,198	0	0
Other operating expenses		-203	-88	0	0
Profit/loss before financial income and expenses		**-165,330**	**-148,539**	**-106**	**0**
Financial income		7,611	7,855	1	0
Financial expenses		-384,372	-95,518	0	0
Profit/loss before tax		**-542,091**	**-236,202**	**-105**	**0**
Tax on profit/loss for the year	3	9,734	4,718	23	0
Net profit/loss for the year	4	**-532,357**	**-231,484**	**-82**	**0**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		22,785	16,568	0	0
Acquired licenses		5,803	8,853	0	0
Brand		513,163	540,532	0	0
Customer relationships		3,993,118	4,200,258	0	0
Goodwill		3,147,764	3,065,258	0	0
Development projects in progress		23,157	15,891	0	0
Intangible assets	5	**7,705,790**	**7,847,360**	**0**	**0**
Other fixtures and fittings, tools and equipment		118,869	139,709	0	0
Leasehold improvements		3,808	3,636	0	0
Property, plant and equipment in progress		129	132	0	0
Property, plant and equipment	6	**122,806**	**143,477**	**0**	**0**
Investments in subsidiaries	7	0	0	4,251,679	4,182,679
Other investments	8	358	358	0	0
Deposits	8	8,021	8,580	0	0
Fixed asset investments		**8,379**	**8,938**	**4,251,679**	**4,182,679**
Fixed assets		**7,836,975**	**7,999,775**	**4,251,679**	**4,182,679**
Finished goods and goods for resale		13,886	25,320	0	0
Inventories		**13,886**	**25,320**	**0**	**0**
Trade receivables		362,341	340,000	0	0
Contract work in progress		6,801	3,347	0	0
Other receivables		28,362	25,216	0	0
Corporation tax		0	0	23	0
Prepayments	9	50,208	56,007	0	0
Receivables		**447,712**	**424,570**	**23**	**0**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		**101,770**	**170,878**	**0**	**40**
Current assets		**563,368**	**620,768**	**23**	**40**
Assets		**8,400,343**	**8,620,543**	**4,251,702**	**4,182,719**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		4,160	4,160	4,160	4,160
Reserve for exchange rate conversion		-27,724	-33,717	0	0
Retained earnings		3,482,689	3,947,071	4,247,437	4,178,519
Equity attributable to shareholders of the Parent Company		**3,459,125**	**3,917,514**	**4,251,597**	**4,182,679**
Minority interests		1,651	779	0	0
Equity		**3,460,776**	**3,918,293**	**4,251,597**	**4,182,679**
Provision for deferred tax	10	957,474	996,724	0	0
Other provisions	11	17,500	59,400	0	0
Provisions		**974,974**	**1,056,124**	**0**	**0**
Credit institutions		3,280,824	3,132,121	0	0
Lease obligations		16,973	15,300	0	0
Other payables		37,454	37,614	0	0
Long-term debt	12	**3,335,251**	**3,185,035**	**0**	**0**
Credit institutions	12	90,552	346	0	0
Lease obligations	12	14,810	15,835	0	0
Prepayments received from customers		21,475	15,761	0	0
Trade payables		226,245	184,866	0	0
Contract work in progress		120	623	0	0
Payables to group enterprises		0	40	4	40
Corporation tax		20,635	3,878	0	0
Other payables	12	179,076	166,318	101	0
Deferred income	13	76,429	73,424	0	0
Short-term debt		**629,342**	**461,091**	**105**	**40**
Debt		**3,964,593**	**3,646,126**	**105**	**40**
Liabilities and equity		**8,400,343**	**8,620,543**	**4,251,702**	**4,182,719**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Fee to auditors appointed at the general meeting	18				
Subsequent events	19				
Accounting Policies	20				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	4,160	-26,028	3,921,070	3,899,202	779	3,899,981
Net effect of restatement of prior year	0	-7,689	26,001	18,312	0	18,312
Adjusted equity at 1 January	4,160	-33,717	3,947,071	3,917,514	779	3,918,293
Exchange adjustments	0	5,993	0	5,993	17	6,010
Ordinary dividend paid	0	0	0	0	-170	-170
Contribution from group	0	0	69,000	69,000	0	69,000
Other equity movements	0	0	-479	-479	479	0
Net profit/loss for the year	0	0	-532,903	-532,903	546	-532,357
Equity at 31 December	**4,160**	**-27,724**	**3,482,689**	**3,459,125**	**1,651**	**3,460,776**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	4,160	4,178,519	4,182,679
Contribution from group	0	69,000	69,000
Net profit/loss for the year	0	-82	-82
Equity at 31 December	**4,160**	**4,247,437**	**4,251,597**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK 12 months	TDKK 8 months
Result of the year		-532,357	-231,484
Adjustments	14	841,379	202,143
Change in working capital	15	47,091	31,407
Cash flow from operations before financial items		**356,113**	**2,066**
Financial expenses		-265,778	-67,060
Cash flows from ordinary activities		**90,335**	**-64,994**
Corporation tax paid		-19,286	-9,537
Cash flows from operating activities		**71,049**	**-74,531**
Purchase of intangible assets		-24,198	-7,725
Purchase of property, plant and equipment		-25,765	-12,325
Sale of intangible assets		0	7,270
Sale of property, plant and equipment		310	256
Business acquisition		-200,534	-1,470,527
Other adjustments		1,615	583
Cash flows from investing activities		**-248,572**	**-1,482,468**
Repayment of loans from credit institutions		-32,103	-3,873,317
Reduction of lease obligations		-15,410	-4,098
Repayment of other long-term debt		-5,385	0
Raising of loans from credit institutions		161,235	3,105,174
Cash capital increase		0	1,497,875
Other equity entries		0	1,002,243
Dividends paid to non-controlling interests in subsidiaries		-170	0
Cash flows from financing activities		**108,167**	**1,727,877**
Change in cash and cash equivalents		**-69,356**	**170,878**
Cash and cash equivalents at 1 January		170,878	0
Exchange adjustment		248	0
Cash and cash equivalents at 31 December		**101,770**	**170,878**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK 12 months	TDKK 8 months
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		101,770	170,878
Cash and cash equivalents at 31 December		**101,770**	**170,878**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 8 months	TDKK 12 months	TDKK 8 months
1. Revenue				
Geographical segments				
Denmark	1,805,943	460,459	0	0
Sweden	614,432	189,612	0	0
Other	53,827	14,756	0	0
	2,474,202	**664,827**	**0**	**0**

The Group has omitted information on the distribution of revenue by business areas, as this information could significantly harm the Group.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 8 months	TDKK 12 months	TDKK 8 months
2. Staff Expenses				
Wages and salaries	885,475	263,418	0	0
Pensions	62,822	16,285	0	0
Other social security expenses	73,709	17,280	0	0
	1,022,006	**296,983**	**0**	**0**
Average number of employees	**1,691**	**422**	**0**	**0**

Average number of employees normalised for acquisitions 1,747 (2022: 1,690).

	Group		Parent company	
	2023	2022	2023	2022
	TDKK 12 months	TDKK 8 months	TDKK 12 months	TDKK 8 months
3. Income tax expense				
Current tax for the year	32,094	34	-23	0
Deferred tax for the year	-43,159	-4,761	0	0
Adjustment of tax concerning previous years	1,331	9	0	0
	-9,734	**-4,718**	**-23**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

4. Profit allocation

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Minority interests' share of net profit/loss of subsidiaries	546	-35	0	0
Retained earnings	-532,903	-231,449	-82	0
	-532,357	**-231,484**	**-82**	**0**

5. Intangible fixed assets

Group

	Completed develop-ment projects	Acquired licenses	Brand	Customer relationship s	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	18,779	10,775	547,374	4,253,425	3,103,770	15,891
Exchange adjustment	7	6	0	5,901	5,820	0
Net effect from merger and acquisition	3,182	0	0	0	234,835	0
Additions for the year	7,466	4,483	0	0	0	14,025
Disposals for the year	-462	-273	0	0	0	-1,775
Transfers for the year	4,984	0	0	0	0	-4,984
Cost at 31 December	33,956	14,991	547,374	4,259,326	3,344,425	23,157
Impairment losses and amortisation at 1 January	2,211	1,922	6,842	53,168	38,512	0
Exchange adjustment	12	17	0	2,157	1,486	0
Amortisation for the year	9,410	7,522	27,369	210,883	156,663	0
Reversal of impairment and amortisation of sold assets	-462	-273	0	0	0	0
Impairment losses and amortisation at 31 December	11,171	9,188	34,211	266,208	196,661	0
Carrying amount at 31 December	**22,785**	**5,803**	**513,163**	**3,993,118**	**3,147,764**	**23,157**

Management has in 2023 adjusted the purchase price allocations of the 2022 business combinations resulting in a change of the openings balances and the amounts recognised as brands, customer relationships, goodwill and deferred tax.

The change has been carried out with a restatement of comparatives. The adjustments have impacted the result of 2022 positively by TDKK 26,001, intangible assets increased with TDKK 1,043,690, provision for deferred tax increased with TDKK 1,025,378, and Equity increased with TDKK 18,312.

Notes to the Financial Statements

6. Property, plant and equipment
Group

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 January	154,885	4,110	132
Exchange adjustment	-352	4	2
Net effect from merger and acquisition	333	329	0
Additions for the year	40,013	1,814	0
Disposals for the year	-815	0	-5
Cost at 31 December	194,064	6,257	129
Impairment losses and depreciation at 1 January	15,176	474	0
Exchange adjustment	159	11	0
Net effect from merger and acquisition	-178	0	0
Depreciation for the year	60,680	1,964	0
Reversal of impairment and depreciation of sold assets	-642	0	0
Impairment losses and depreciation at 31 December	75,195	2,449	0
Carrying amount at 31 December	**118,869**	**3,808**	**129**
Including assets under finance leases amounting to	34,534	0	0

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

7. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	4,182,679	0
Additions for the year	69,000	4,182,679
Cost at 31 December	4,251,679	4,182,679
Carrying amount at 31 December	**4,251,679**	**4,182,679**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
AX VI AddPro Group AB	Malmö, Sweden	TSEK 60	100%
Addpro DK Holding II ApS	Skovlunde	TDKK 13,140	100%
itm8 | AddPro Danmark A/S	Skovlunde	TDKK 667	100%
itm8 | AddPro AB	Malmö, Sweden	TSEK 50	100%
AddPro As A Service AB	Malmö, Sweden	TSEK 50	70%
AX VI itm8 Holding ApS	Herning	TDKK 4,160	100%
itm8 TopCo ApS	Herning	TDKK 132	100%
Kona Manco 1 ApS	Herning	TDKK 442	100%
itm8 Holding A/S	Herning	TDKK 3,318	100%
itm8 A/S	Herning	TDKK 1,100	100%
itm8 | Mentor IT A/S	Esbjerg	TDKK 501	100%
itm8 | Miracle 42 A/S	Ballerup	TDKK 501	100%
itm8 | Progressive A/S	København	TDKK 400	100%
itm8 | Copenhagen Software A/S	Ballerup	TDKK 400	100%
itm8 | JDM A/S	Odense	TDKK 1,584	100%
itm8 | Emineo AB	Stockholm, Sweden	TSEK 100	100%
itm8 | Sotea AB	Upplands Väsby, Sweden	TSEK 600	100%
itm8 | Cenvation ApS	København	TDKK 80	100%
itm8 | Improsec A/S	København	TDKK 400	100%
itm8 Philippines Inc.	Philippines	TPHP 1,000	100%
itm8 s.r.o.	Prague, CZ	TCZK 0	100%

8. Other fixed asset investments
Group

	Other investments	Deposits
	TDKK	TDKK
Cost at 1 January	358	8,580
Exchange adjustment	0	-18
Net effect from merger and acquisition	0	1,056
Additions for the year	0	138
Disposals for the year	0	-1,735
Cost at 31 December	358	8,021
Carrying amount at 31 December	**358**	**8,021**

9. Prepayments

Prepayments consist of prepaid expenses concerning subscriptions and licenses etc.

10. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	996,724	0	0	0
Net effect from business combinations	2,914	1,007,233	0	0
Exchange adjustments	995	-5,748	0	0
Amounts recognised in the income statement for the year	-43,159	-4,761	0	0
Deferred tax liabilities at 31 December	**957,474**	**996,724**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

11. Other provisions

Other provisions relate to business acquisitions.

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Other provisions	17,500	59,400	0	0
	17,500	**59,400**	**0**	**0**
The provisions are expected to mature as follows:				
Provisions falling due after 5 years	0	0	0	0
	0	**0**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

12. 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 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Credit institutions				
After 5 years	3,280,824	3,132,121	0	0
Long-term part	3,280,824	3,132,121	0	0
Other short-term debt to credit institutions	90,552	346	0	0
	3,371,376	**3,132,467**	**0**	**0**
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	16,973	15,300	0	0
Long-term part	16,973	15,300	0	0
Within 1 year	14,810	15,835	0	0
	31,783	**31,135**	**0**	**0**

12. Long-term debt

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Other payables				
After 5 years	35,401	35,147	0	0
Between 1 and 5 years	2,053	2,467	0	0
Long-term part	37,454	37,614	0	0
Within 1 year	1,226	3,802	0	0
Other short-term payables	177,850	162,516	101	0
	216,530	**203,932**	**101**	**0**

13. Deferred income

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

14. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK 12 months	TDKK 8 months
Financial income	-7,611	-7,855
Financial expenses	384,372	95,518
Depreciation, amortisation and impairment losses, including losses and gains on sales	474,490	119,198
Tax on profit/loss for the year	-9,734	-4,718
Other adjustments	-138	0
	841,379	**202,143**

15. Cash flow statement - Change in working capital

	Group 2023 TDKK 12 months	Group 2022 TDKK 8 months
Change in inventories	11,778	4,761
Change in receivables	-9,901	25,709
Change in other provisions	0	-2,000
Change in trade payables, etc	46,611	-12,694
Other changes in working capital	-1,397	15,631
	47,091	**31,407**

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Charges and security				
The following assets have been placed as security with bankers:				
The following assets have been placed as security with third party				
Investments in subsidiaries at a total carrying amount of	0	0	4,251,679	4,182,679

Rental and lease obligations

The group has concluded leases with different periods of notice. The rent in the period of notice amounts to TDKK 62,128.

The group has also concluded leases on cars and computer equipment. The lease payment up to the end of the lease term amounts to TDKK 35,207.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

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 Danish 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.

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
AX VI itm8 Holding III ApS, Herning	Principal 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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

Name	Place of registered office
AX VI itm8 Holding III ApS	Herning

18. Fee to auditors appointed at the general meeting

	Group	
	2023	2022
	TDKK 12 months	TDKK 8 months
PricewaterhouseCoopers		
Audit fee	899	1,107
Other assurance engagements	599	1,073
Tax advisory services	126	152
Non-audit services	1,136	19,831
	2,760	**22,163**

19. Subsequent events

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 AX VI itm8 Holding I ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Management has in 2023 adjusted the purchase price allocations of the 2022 business combinations resulting in a change of the openings balances and the amounts recognised as brands, customer relationships, goodwill and deferred tax.

The change has been carried out with a restatement of comparatives. The adjustments have impacted the result of 2022 positively by TDKK 26,001, intangible assets increased with TDKK 1,043,690, provision for deferred tax increased with TDKK 1,025,378, and Equity increased with TDKK 18,312.

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, AX VI itm8 Holding I 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 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. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

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.

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.

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 acquistition of subsidiaries.

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

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. 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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Segment information on revenue

Information on geographical segments is based on the Group´s risks and returns and its internal financial reporting system.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods 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.

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.

Direct expenses

Direct expenses comprise expenses paid to generate the revenue for the year.

Other external expenses

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

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.

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.

Notes to the Financial Statements

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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, amortisation expenses as well as extra payments and repayment under the on-account taxation scheme.

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 Parent 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

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas.

Development projects

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 enterprise 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.

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 3-5 year.

Other intangible fixed assets

Customer relationships and brands acquired is measured at cost less accumulated amortisation. Customer relationships and brands are amortised on a straight-line basis over its useful life, which is assessed at 20 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 3 - 5 years.

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 contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

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

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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 measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of unlisted equity investments, deposit and receivables.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

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 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 expenses 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 new contracts are recognised in the income statement over the contract period.

Prepayments

Prepayments comprise prepaid expenses concerning subscriptions and licenses etc.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

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.

Deferred income

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

Notes to the Financial Statements

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 ”Cash at bank and in hand”.

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

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity