



wirtek.com

CVR / VAT: DK26042232



**ANNUAL REPORT 2022**

**Growing with our clients**

Approved at the Annual General Meeting held on 19 April 2023  
Chairman of the general meeting: Jens Uggerhøj



Our collaboration with Wirtek has been going on for almost a year. When we signed up with Wirtek in 2022, we were excited to see if they could deliver as communicated. I can only say **they have delivered above my expectations.** Wirtek has continuously ensured that we have been involved in the recruitment process for our dedicated team and been transparent about all outcomes, both the good and bad, which is important to ensure good collaboration.

Lars Glintborg, Software Development Director



# 01

## Management Review

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*This report contains forward-looking statements which are based on the current expectations of the Management of Wirtek. All statements regarding the future are subject to inherent risks and uncertainties that could cause the Company's actual results to differ substantially from what has been expressed or implied in such statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.*

# Management Review



# Wirtek at a Glance

**2 offices in Denmark**  
Headquarter and sales

**3 offices in Romania**  
Development and testing centres

**20+**

years of experience  
in the IT outsourcing  
industry

**6+**

years average client  
partnership duration,  
increasing day-by-day

**193**

colleagues in our team

**5**

New Business Units  
taking our promise to  
clients to the next level

**2006**

listing on the Nasdaq  
First North Growth  
Market Denmark

# Performance Highlights 2022

## Our profitable growth journey continues

In 2022, Wirtek achieved another record-high result both in revenue and EBITDA.

Wirtek succeeded in growing revenue by 45%, with more than 25% organic growth from both existing and new clients. We continue to grow with our clients, and we have succeeded in positioning Wirtek in lucrative segments like cybersecurity and energy.

We have strengthened our business foundation through investments in a new ERP system and focused heavily on retaining our skilled employees. The operating result achieved reflects this with a growth in EBITDA of 20%.

Wirtek has a high solvency and proposes to the Annual General Meeting to pay a dividend of DKK 0.42 per share.

# 11.4%

EBITDA-margin

# 51.9%

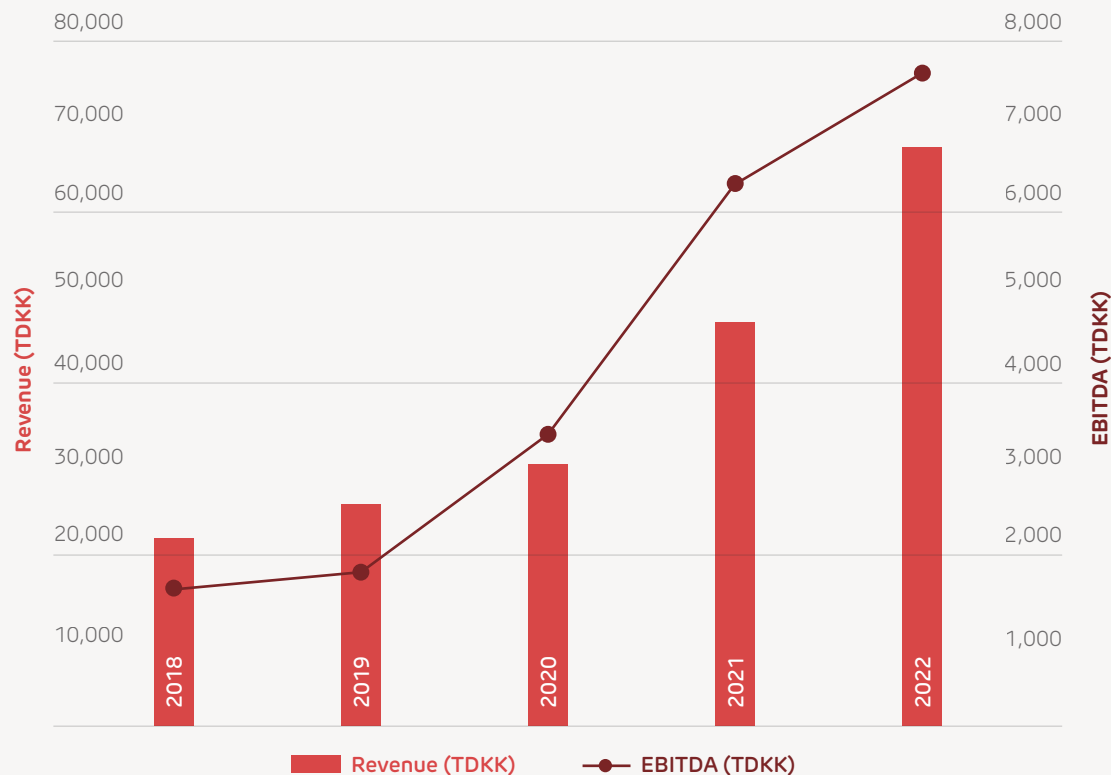
Equity Ratio

**65.7m** <sup>+45%</sup>  
Revenue (DKK)

**7.5m** <sup>+20%</sup>  
EBITDA (DKK)

**5.1m** <sup>+7%</sup>  
Cash Holdings (DKK)

## Revenue and profitability





## LETTER FROM THE CEO

# Record Results in a Year of Great Uncertainty

We are pleased to report that despite a challenging macroeconomic environment during 2022, resulting in increasing costs, Wirtek achieved great results with revenue growth of 45% and EBITDA growth of 20%. Revenue of DKK 65.7m was within the range of our increased expectations while EBITDA of DKK 7.5m was below our expectations although still in record territory.

### Strengthening our base

In 2022 we made significant investments in restructuring our organization into five new business units based on business domain knowledge to better visualize our competitive advantages and strengthen our position in the market. The new business units each have full budgetary responsibility and Wirtek will start reporting financial status for these new business units from Q1 2023. In 2022 we also strengthened the management team in Wirtek with the addition of a CFO and an HR Director. These organizational changes will enable

us to better serve our clients and position ourselves for continued growth in the future. In addition, we have started a large-scale investment program into digitalization of our company to improve our operational efficiency, with the first part of our new ERP system going live in January 2023. This focus on digitalization will help us streamline our processes, reduce costs, and provide better visibility into our operations.

At the end of 2022 we were close to 200 colleagues in Wirtek. We understand that our employees are our greatest asset, and we are committed to supporting them during this tough period of high inflation. We have implemented inflation packages during Q4 2022 to help offset the impact of rising costs and ensure our employees are taken care of.

### Significant investments in 2023

In 2023 we see a business environment that will be impacted by great uncertainties and





**In 2022 we achieved record high with 45% revenue growth and 20% EBITDA growth. We expect double-digit organic revenue growth in 2023 and remain committed to our long-term goals in our Accelerate25XL strategy.**

Michael Aen, **CEO Wirtek**

a high inflation rate that that we expect will slowly decrease to a lower level by end of 2023.

We expect double-digit organic revenue growth during 2023 in the range of 11% to 19%. We will continue to invest in building an efficient delivery organization that will enable us to meet the needs of our clients and support strong and profitable growth, and we will invest further in the digitalization of our company. These significant investments will have a negative impact on EBITDA in 2023 but will improve our profitability from 2024 and onwards and will support our long-term strategic goals. We have strengthened our service delivery organization by appointing a new COO in 2023.

**Wirtek maintains long-term strategic goals**

After revenue growth of 64% during 2021 and signing on a new client from the energy sector with

significant growth potential in March 2022, the Board of Directors reviewed Wirtek's Accelerate25 growth strategy and consequently announced a revised Accelerate25XL strategy in April 2022 with significantly raised financial goals for 2025. With the investments we are currently undergoing to support future profitable growth, we maintain the long-term goals of our Accelerate25XL growth strategy.

On behalf of the management team, I want to express my gratitude to our great employees and our investors for their continued support. It is because of your dedication and trust that we have been able to achieve record results in a challenging year.

**Michael Aen, CEO Wirtek**

35%

Average annual revenue growth the past 5 years

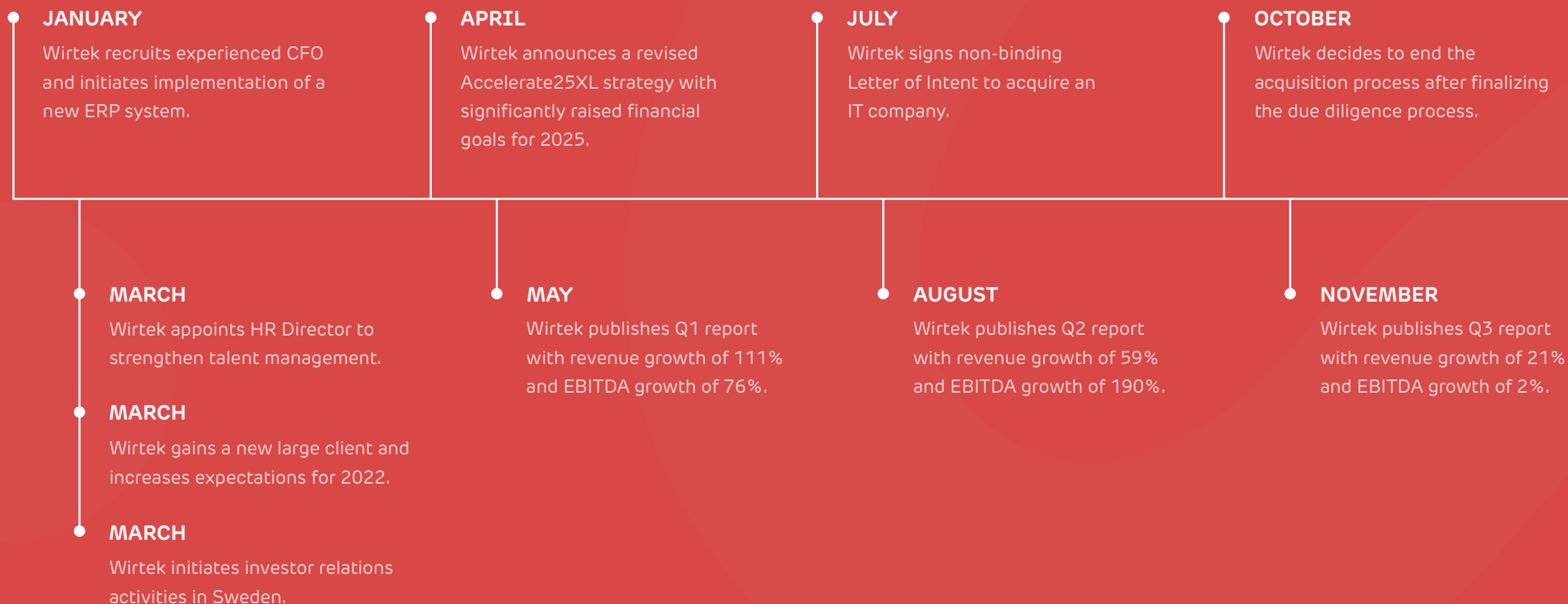
47%

Average annual EBITDA growth the past 5 years

44%

Average annual growth in Earnings Per Share (EPS) the past 5 years.

# Major Events in 2022



# Outlook 2023



In 2023 we continue our growth journey by finalizing our **organizational transformation** and ongoing **digitalization projects**, and at the same time delivering expected double-digit revenue growth.

In 2023, Wirtek expects to deliver double-digit organic revenue growth of 11%-19% with an EBITDA-margin of 8%-12% despite a possible recession in Europe and significant market uncertainties.

On 13 February 2023, we announced our 2023 expectations (see [company announcement no. 1/2023](#)). Based on our growing portfolio of loyal clients and an increasing outsourcing demand we have the following 2023 expectations:

**Organic revenue** for 2023 is expected in the range of DKK 73.0m-DKK 78.0m, a growth of 11%-19% compared to revenue of DKK 65.7m in 2022.

**EBITDA** for 2023 is expected in the range of DKK 6.0m-9.0m, a growth of negative 20% to positive 27% compared to EBITDA of DKK 7.5m in 2022. The wider than normal EBITDA range reflects the current market uncertainties including an inflation rate that remains

DKKm	2023	2022	Growth
Organic revenue	73.0 – 78.0	65.7	11% – 19%
EBITDA	6.0 – 9.0	7.5	-20% – 27%

very high, having a negative impact on the cost base. The EBITDA-margin for the organic revenue of Wirtek is expected to be in the range 8%-12% in 2023.

## Building the foundation for future profitable growth

In 2022, Wirtek has been investing heavily in an organizational transformation into five domain-driven business units as well as a further digitizing of our operations. These strategic initiatives have been designed to enhance our agility, responsiveness, and client-centricity, and position us for success in a competitive market. During 2023, we will continue these investments and target full launch of our new ERP system before the end of the year.

To support double-digit organic growth in Wirtek, the sales organization will be strengthened during 2023 and focus will be on building new sales channels in North-Western European countries in line with our Accelerate25XL strategy. Part of Wirtek's Accelerate25 strategy is to become a best-in-class workplace in order to build a sustainable and

scalable delivery organization where we can attract many new talented employees as well as retain our existing great colleagues. To make this happen, we have appointed Ema Marcu as Director of HR and Administration effective 1 March 2022.

## Expected business impact from the current geopolitical situation

The Russian invasion of Ukraine has significantly increased uncertainty in the world and has resulted in very high rates of inflation, reaching a level above 16% in Romania by the end of 2022. In the short-term, we see an increased cost level that negatively impacts our profitability. However, we expect our investments into building a scalable, cost-effective organization will improve profitability in the medium term.

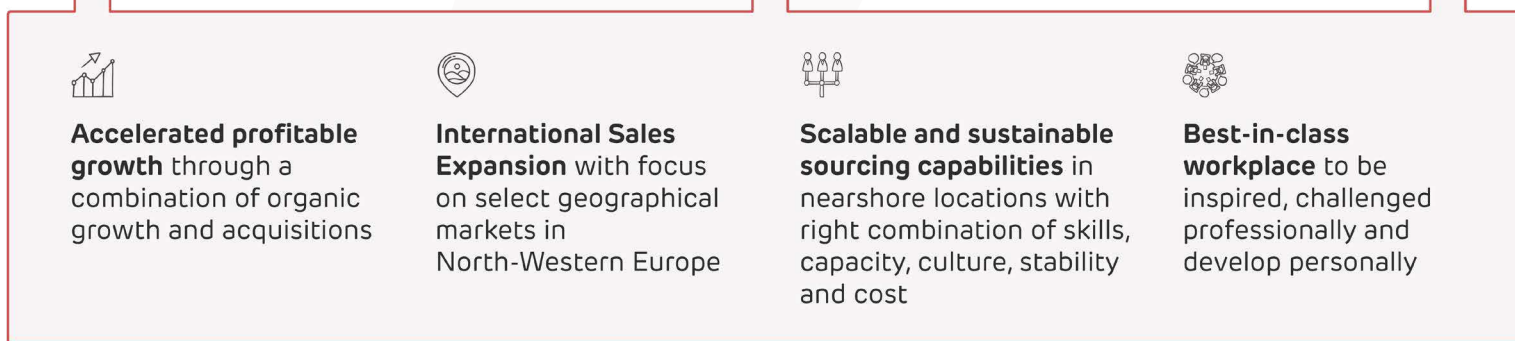
While we saw major bottlenecks in the IT job market during 2022, with significant challenges in the recruitment of IT people, we now see an improvement in our ability to find the right candidates over a shorter period of time. This will allow us to better service our clients in a timely manner.

# Accelerate25XL Strategy

## Our Long-Term Goals



## Our Strategic Tracks



## Our Foundation



## Our Mission

We help our clients create quality software solutions and electronic equipment products, as if these were our own.

## Our Values



# New Revised Growth Strategy



**Accelerate25XL expresses our upward adjustment of the long-term financial goals with an expected revenue in 2025 of DKK 130 million. The foundation is still based on profitable growth, sustainable sourcing and best-in class people skills.**

Following a strong performance in 2021 with revenue growth of 64% and EBITDA growth of 94% and increased expectations for 2022, the Board of Directors reviewed and updated the growth strategy in April 2022, resulting in the revised **Accelerate25XL** strategy.

In short, Accelerate25XL frames our overall objective to grow the business in a profitable and sustainable way with a foundation that can handle the strong growth rates. We want to diversify with a more international setup, including a larger part of revenue outside Denmark.

## Financial long-term goals significantly raised

The new revenue goal for 2025 has been raised by 30% from DKK 100m to DKK 130m and EBITDA is expected to reach DKK 18m by 2025, corresponding to an EBITDA-margin of 13.8%. The pre-tax profits (EBT) goal has been increased by 50% to DKK 15m, compared to the original Accelerate25 Strategy.

## New operational goal introduced

Wirtek has set a new operational goal to be listed on Nasdaq Copenhagen Main Market before the end of 2025. This is a significant milestone for Wirtek and will provide increased visibility and access to capital markets, enabling the company to pursue further growth opportunities.

The operational goal "1 sourcing location outside Romania by 2025" remains unchanged. To ensure that Wirtek's delivery organization can scale with enough IT talent to support the accelerated growth, and to reduce sourcing risk, Wirtek still plans to expand its sourcing capabilities to at least one location outside Romania before the end of 2025. The operational goal for employee retention is modified to "Employee retention rate of >85% from 2024" from previously >90% to be better aligned with the current job market for IT talent.

Wirtek achieved a retention rate of 87% during 2022 in a very challenging IT job market. Focus the coming

period is to consistently keep the retention rate above the 85% goal.

## Strategic tracks remain unchanged

In the original Accelerate25 strategy, Wirtek established four strategic tracks that set the strategic direction towards meeting the long-term goals:

- Accelerated profitable growth
- International sales expansion
- Scalable and sustainable sourcing
- Best-in-class workplace

These four strategic tracks remain unchanged in the revised Accelerate25XL strategy, as they are still fully aligned with the intended direction of Wirtek.



## Accelerated profitable growth

During 2022, Wirtek achieved organic revenue growth above 25% and has announced double-digit organic revenue growth in the range 11% - 19% for 2023.

A new organizational structure as well as expansion of the sales organization in 2023 will support the organic growth. Wirtek expects to continue the double-digit organic growth throughout the strategic period.

To accelerate the growth, Wirtek pursues acquisition of other companies in the industry. This resulted in the acquisition of CoreBuild in 2021.

After a successful integration of CoreBuild, we can conclude that the acquisition has significantly increased the revenue growth in the Wirtek Group and has contributed with a net result equivalent to 35% of the acquisition investment after only 1 year and 7 months. Wirtek is committed to carefully select acquisition targets that align with our company culture.

The acquisition targets must also provide significant other market benefits to Wirtek such as expanding the market share in existing markets, access to new sales channels and clients internationally, access to sourcing capabilities outside Romania, and gain competencies in technologies and/or services considered critical for future growth.

During 2022, Wirtek signed a Letter of Intent to acquire another IT company. After completing a

thorough due diligence process the Board of Directors decided not to continue the acquisition process. Wirtek will only finalize an acquisition if the benefits considerably outweigh the risks, which was not the case for this acquisition opportunity. Wirtek will continue the search for interesting acquisition targets and carefully evaluate these as a central part of our growth strategy.



## International sales expansion

The global market for outsourcing of IT services is huge and fast-growing, proving great opportunity for Wirtek to grow internationally.

Since Wirtek launched the growth strategy in January 2021, the percentage of revenue from clients outside Denmark has increased from 29% in 2020 to 49% in 2021. International revenue remained at that level in 2022 as Wirtek also achieved significant organic growth with existing and new clients in Denmark during 2022.

To support the organic growth internationally, Wirtek will expand the sales organization during 2023 with focus on increasing sales in international markets in North-Western Europe. Wirtek also anticipates that future acquisitions will further support the international sales expansion with the addition of new sales channels and client relationships as part of any acquired assets.



## Scalable and sustainable sourcing

2022 was a year with significant bottlenecks in the global IT job market while demand for our services was strong from both existing and new clients. In addition to expanding our staffing capabilities and recruiting Ema Marcu, a very experienced HR Director, Wirtek also expanded the talent pool by entering into close partnerships with local collaborators to support our growth.

In 2022, Wirtek underwent a major organizational change by the creation of five new business units based on our expertise in our clients' business areas.

This new organizational structure became operational in January 2023 and will improve Wirtek's ability to serve clients even better by providing more focused and specialized services.

Additionally, the new structure will support the company's growth and expansion in the coming years. Wirtek initiated the digitalization of critical business processes in 2022 by implementing a new ERP system. This implementation improves the efficiency and cost-effectiveness of scaling the company while providing enhanced client experience. The first module of the ERP system was launched in January 2023.

In 2023 Wirtek has appointed Flaviu Zapca, one of the original owners of acquired CoreBuild, as new Chief Operating Officer (COO) to strengthen our service delivery organization and ensure that it can

# 5 years

the average tenure of our colleagues

# 30 years

the average age of our colleagues

# 36%

of our colleagues are women,  
supporting gender diversity



In 2023 Wirtek has appointed Flaviu Zapca, one of the original owners of acquired CoreBuild, as new Chief Operating Officer (COO) to strengthen our service delivery organization and **ensure that it can scale efficiently** with the high growth rate needed to reach our long-term financial goals.

scale efficiently with the high growth rate needed to reach our long-term financial goals.

As a crucial part of ensuring scalable and sustainable sourcing and reducing risk, Wirtek will add sourcing capacity outside Romania in locations with the right combination of skills, capacity, culture, stability, and cost. This is targeted before end of 2025 as part of achieving the operation goal of "1 sourcing location outside Romania by 2025".



### Best-in-class workplace

To be able to attract and retain the many talented employees needed to continue the high rate of growth, Wirtek aims to be recognized as a best-in-class workplace where people can be inspired, challenged professionally, and develop personally.

This strategic track supports the strategic goal of having a retention rate of at least 85% from 2024.

While Wirtek already reached this goal in 2022 with 87%, the challenge remains to keep a high retention rate during the coming years. To achieve this, Wirtek has introduced important initiatives during 2022 to position the company better in a tight job market for talented IT people:

- The restructuring of Wirtek better supports the work life and personal development of our colleagues.
- A new, improved benefits package was implemented.
- During Q4 2022 Wirtek introduced inflation packages to support our employees in Romania.
- After launching successful employee warrants programs in 2018-2020, Wirtek has established a new employee warrants program in 2022 targeting both existing employees as well as new key employees.

# Focus on Business Transformation

In 2022 Wirtek has successfully completed a major organizational change to drive positive teamwork but also to match our clients' future needs in terms of service delivery. The transformation supports both our strategic tracks of **Scalable and sustainable sourcing capabilities** and **Best-In-Class workplace**, driving positive teamwork in the organization. Efficiency will be Improved while reducing costs, further supported by the redesign and digitization of several business-critical processes.

## Time for a change

Recent years Wirtek has gone through a strong period of growth - the number of colleagues has increased from 104 end of 2020 to 193 end of 2022 and revenue has correspondingly increased by

138% during the same period. When we acquired CoreBuild in 2021, it became clear that it was time for an organizational change to ensure a sustainable delivery organization that reflects our business approach today while increasing our readiness for rapid expansion through combined organic growth and future acquisitions.

## Five business units with domain knowledge

Wirtek's original organization with the two business units Software Engineering Services and Electronic Equipment Services has shown to be less scalable and focuses on technical competencies instead of deep knowledge of our clients' business domains. As a result, Wirtek has changed the organizational setup around five core domains.

- **Digitalization** - Transform traditional processes into digital workflows for streamlined operations and improved efficiency.
- **Energy** - Automate processes, optimize production and market planning for climate-friendly energy solutions.
- **Workforce & Facility Management** - Boost productivity and decision-making with data-driven solutions for managing human resources and facilities.
- **Wireless Communication & Automation** - Enhance end-user experience, control and productivity via secure devices and professional electronic equipment.
- **Trade & E-commerce** - Optimize logistics, payments, retail and stock management platforms to minimize resource needs and increase agility.



Digitalization



Energy



Workforce  
& Facility  
Management



Wireless  
Communication  
& Automation



Trade &  
E-commerce



This has created a more streamlined, efficient, and flexible structure that will enable us to better align our resources and capabilities with the needs of our clients and at the same time increase our competitive advantage.

Our current and future clients can now expect that we understand their business domains besides “just” providing the technical expertise they need. Each core domain is led by a dedicated team of experts who possess deep domain knowledge and are empowered to make decisions that will drive innovation for our clients, optimize processes, and create value for all stakeholders. The new organization is organized into five business units that we believe will support the growth of Wirtek to a size several times the current approx. 200 employees while improving operational efficiency as Wirtek grows.

To maintain and continuously develop the competencies of our skilled colleagues and support knowledge sharing across business units, a number of competence centers with focus on specific areas of technical expertise have been established as part of the new organization.

Support functions like HR, Administration and Finance & Accounting have all been structured to assist the future growth, as Wirtek implements the Accelerate25XL strategy and becomes a global service delivery organization with sourcing capabilities in multiple geographical locations. The new organization went into operation from the beginning of 2023. As part of the restructuring process, Wirtek will also move into new office facilities in both Cluj-Napoca and Bucharest in Romania during 2023.

### Digitalization of critical business processes

In parallel with our restructuring efforts, we have also embarked on a comprehensive digital transformation program aimed at leveraging the latest technologies to improve our operational efficiency and enhance our client engagement. The “heart” of the digitalization is the implementation of a group-wide ERP system. First module of the new ERP system went live in January 2023.

We are also investing in advanced analytics and automation tools that will enable us to generate real-time insights, make data-driven decisions, and deliver personalized experiences to our colleagues and clients. We believe that these significant investments in restructuring our organization and digitizing our operations will enable us to achieve our strategic objectives and drive sustainable long-term growth.



As we pursue our Accelerate25XL strategy, our team of skilled consultants with deep domain knowledge is **our strongest asset**. The new organizational structure, aligned with the five business units, leverages this advantage. It ensures our **focus on clients' needs and expanding their businesses** within our specific portfolio domains.

With an operational excellence mindset, we can achieve **scalability for growth and provide a great place to work** through efficient processes, strong leadership, and unwavering support for our team.

**Flaviu Zapca**

COO Wirtek



# Financial Review 2022

High organic growth and record financial results in a year of significant change.

In 2022, Wirtek Group experienced revenue growth of 45%, out of which 25% was organic growth while the remaining part of the growth came from the CoreBuild acquisition made in 2021.

EBITDA grew by 20% in 2022. Investments in organizational development and the digitalization of key processes were initiated to enhance operational efficiency and prepare Wirtek for sustainable high growth rates.

## Financial Highlights 2022

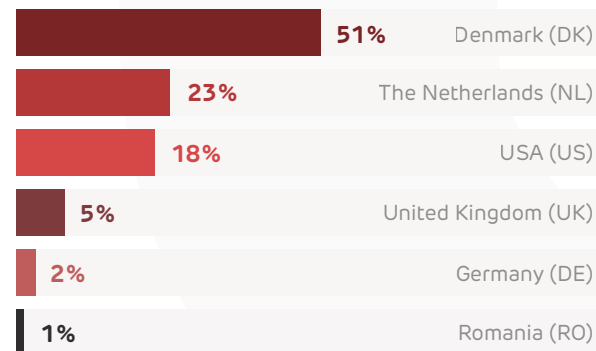
TDKK	2022	2021	Change
Revenue	65,716	45,372	45%
EBITDA	7,516	6,242	20%
EBITDA-margin	11.4%	13.8%	-17%
Pre-tax profits	5,716	5,246	9%
Cash holdings	5,118	4,803	7%

## Revenue development

Wirtek posted 2022 revenue of TDKK 65,716, a growth of 45% compared to 2021. We are competing in a fast-

growing IT services outsourcing market driven by trends like digitalization, automation, cybersecurity, cloud computing and IoT (Internet of Things) and we see a very large growth potential both in our local Danish market as well as internationally in the coming years.

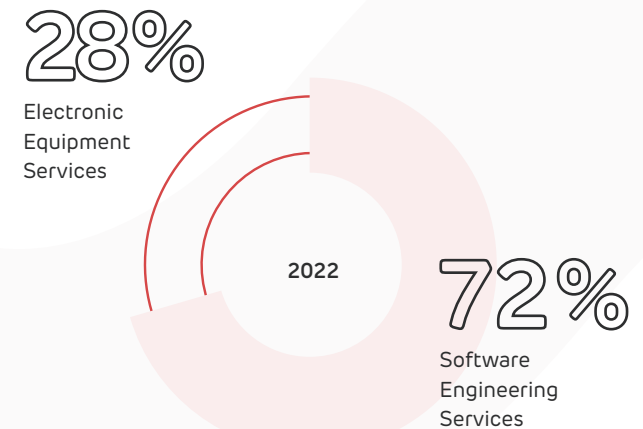
## Geographical revenue split 2022



In 2022, Denmark accounted for 51% of the total revenue, same level as in 2021. Wirtek experienced great demand from our home market last year and expanded our collaboration with existing Danish

clients and signed contracts with new Danish clients. We also saw significant growth in The Netherlands and UK markets.

For 2022, Wirtek still reports revenue based on the pre-2023 business unit structure:



## Software Engineering Services

Engineering end-to-end software solutions matching the needs of our clients. Guided by agile principles, we provide services such as product engineering, system architecture & design, software assurance and product re-engineering.

The revenue of the Software Engineering Services business unit was TDKK 47,068 during 2022, a growth of 46% from 2021.

## Electronic Equipment Services

Providing a complete set of services on our client's existing electronic equipment. Services include embedded and integration software development as well as quality assurance and conformance testing of the final product. The business unit Electronic Equipment Services generated a revenue of TDKK 18,648 in 2022, a growth of 43% compared to 2021.

## Double-digit EBITDA growth

In 2022, EBITDA amounted to TDKK 7,516, a growth of 20% compared to TDKK of 6,242 in 2021 and the EBITDA-margin during 2022 was 11.4%, down from 13.8% during 2021.

The lower EBITDA-margin is due to significant investments as well as rising inflation-driven costs. Wirtek also incurred a one-time cost from the due diligence process conducted during second half of 2022, as Wirtek eventually decided not to go through with the acquisition.

## Pre-tax profitability up

Wirtek achieved pre-tax profits (EBT) of TDKK 5,716 during 2022 compared to TDKK 5,246 for 2021, a growth of 9%.

Amortization of the immaterial asset related to the CoreBuild acquisition accounted for approx. 66% of the total depreciation costs of TDKK 1,411 while depreciation of IT equipment accounts for most of the remaining depreciation.

The net financial expenses during 2022 amounted to TDKK 389 compared to TDKK 181 in 2021.

The financial expenses are primarily related to currency exchange expenses as well as interest expenses on a credit facility established as part of the financing of the CoreBuild acquisition. The rising interest level in 2022 has had a negative impact on our interest-bearing credit facilities.

## Strong cash position

End of 2022 we had cash holdings of TDKK 5,118, up 6.6% from last year. Part of the cash position is covered by a credit facility of TDKK 3,012.

During 2022 Wirtek generated TDKK 2,332 in cash flows from operating activities. Investing activities resulted in negative cash flows amounting to TDKK 776, primarily from investment in IT equipment. Financing activities generated negative cash flows of TDKK 1,241.

## Dividend recommendation

Based on the significant positive cash flows from operating activities as well as a strong cash position, the Board of Directors will recommend dividend payment of DKK 0.42 per share at the Annual General Meeting on 19 April 2023, amounting to 3.4% of the share price end of 2022.

## Robust capital structure

Equity amounted to TDKK 15,644 end of 2022, up 66% compared to end of 2021.

As part of the 2021 earn-out payment to the sellers of CoreBuild, Wirtek handed over 105,150 treasury shares (nom. DKK 15,772.50) to the sellers in 2022. In addition, Wirtek purchased an additional 8,378 own shares (nom. 1,256,70) in June 2022 to cover the full share-based part of the 2021 earn-out payment.

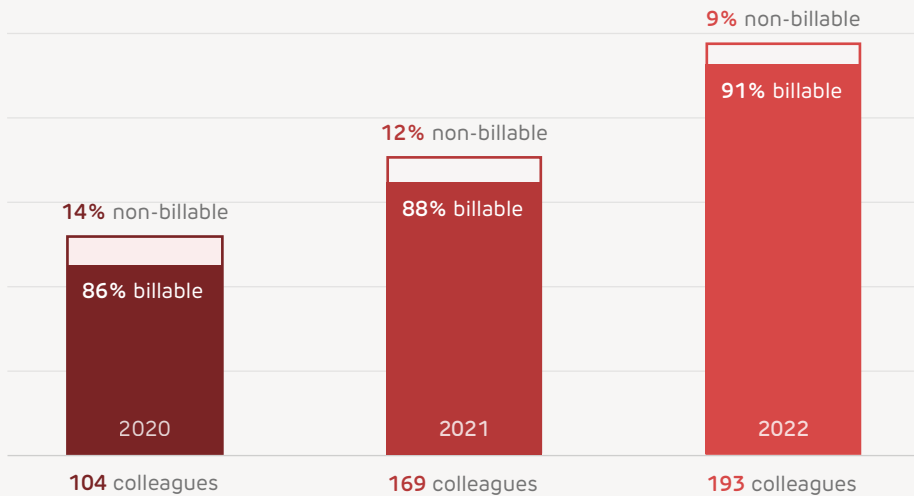
## Significant events after the balance date

No other events have occurred after the balance date that have any significant impact on the 2022 annual report.

## Effective and efficient delivery organization

A key to our client success is our ability to deliver consistent, high-quality services that meet or exceed their expectations. We can seamlessly adapt to our clients' way of working. We act as a partner, not just a vendor with nameless resources. Our collaboration model is very flexible and allows us to build dedicated teams for our clients with the needed technical expertise that complements our clients' own development organizations. Wirtek's EU-based development- and test centers in Romania ensure cultural affinity, easy GDPR compliance and reduced macro-economic risk.

Our focus on operational efficiency allows us to increase our service delivery capacity without increasing overhead at the same rate, as exemplified in the following diagram:



Our total headcount during 2022 increased organically by 14,2% from 169 to 193 colleagues while our billable headcount increased from 149 end of 2021 to 175 by the end of 2022.



2022 was yet another year of great activity and double-digit growth. We have throughout the year been focusing on ensuring scalability of the company, by among other things, implementing the first part of our **ERP project**. The overall ERP-project is progressing according to plan and budget, which is very satisfactory.

The annual report for 2022 has been prepared as per Danish GAAP. Wirtek plans to eventually convert to IFRS in accordance with the **strategic goal of moving to a main market listing**. In 2022, Wirtek prepared and pre-implemented parts of IFRS for internal evaluation purposes.

**Aurora Peșteșan**

CFO Wirtek



# Corporate Governance



Wirtek is currently undergoing **significant changes** that have been triggered by the combination of robust organic growth and acquisitions. The strong ethical foundation underlying Wirtek's way of doing business leaves me confident that future and on-going enhancements to Wirtek's existing Corporate Governance structures will **ensure a successful development of Wirtek's business.**

Kent Mousten Sørensen, **Chairman of the Board**

The Board of Directors and the Executive Management at Wirtek operates within applicable regulations laid out e.g. the Danish Companies Act, Rules and regulations issued by Nasdaq First North Growth Market, and the Market Abuse Regulation. In 2022, Wirtek joined the call to follow and explain recommendations on good corporate governance issued by the Association of Listed Growth Companies in Denmark.

## Management structure

Wirtek has a two-tier management structure, where the Board of Directors and the Executive Management team has individual roles and responsibilities. The members of The Board of Directors are all equally responsible for the adherence to the rules and regulations and controls the overall governance of Wirtek and its subsidiaries.

The Board of Directors is responsible for the definition and control of Wirteks long- and short-term strategies and goals in close corporation with the Executive Management team, who is responsible for the operational management of Wirtek and its subsidiaries. Wirtek has experienced consistent long-term growth and is further expecting future strong

growth – both organically and through acquisitions. The Board of Directors is working in close collaboration with the entire management team to ensure a strong corporate culture while continuing the growth at a high pace.

## Corporate governance recommendations and future adjustments

In late 2022 the Association of Listed Growth Companies in Denmark (In Danish: FBV) published a set of 28 corporate governance recommendations for listed growth companies. Wirtek has published its first report on its adherence to the recommendations together with this annual report. The complete report can be found [here](#). Wirtek's future corporate governance work will be based on the recommendations from the Association of Listed

Growth Companies in Denmark and Wirtek's most imminent adjustments to its corporate governance structure is related to the board composition as the current board composition isn't compliant to the recommendations.

In line with good corporate governance the CEO of Wirtek plans to step down from the Board of Directors at the annual general meeting in April 2023. In addition, Wirtek will propose that additional independent members will be elected to the Board of Directors in 2023.

### Adherence to the recommendations from the Association of Listed Growth Companies in Denmark 2022

Compliant	19 out of 28	68%
Non-compliant	9 out of 28	32%

# Board of Directors

**Kent Mousten Sørensen** (Born 1962)

**Chairman of the Board** (since 2008)

958,818 Wirtek shares were held per 31 December 2022 either directly or by companies wholly or partly owned

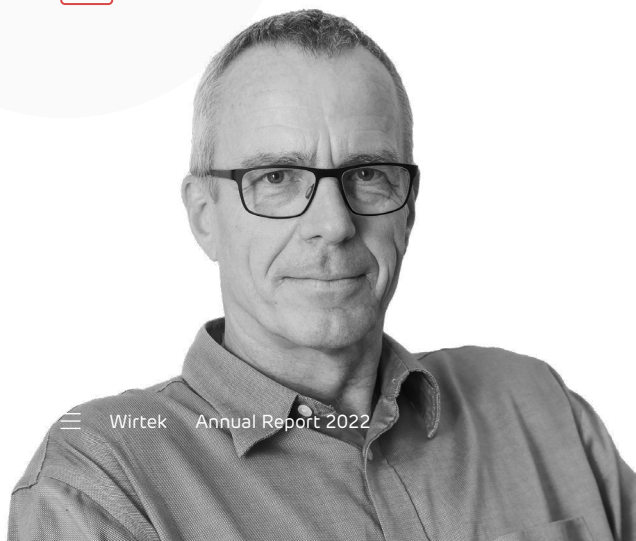
**Considered independent:** No

**Position:** FG19 Investments and Consult ApS, E I Invest ApS, CEO

**Other positions:** ClearView Trade ApS (Board member), Sparekassen Danmark (Board of Representatives)

**Educational background:** M.Sc. and an Executive MBA from Aarhus University

**Key skills:** International leadership, Strategy, Mergers and Acquisitions, Data-driven decisions, Digitalization, Organizational development, Product management



**Jens Uggerhøj** (Born 1961)

**Board Member** (since 2009)

357,858 Wirtek shares as of 31 December 2022

**Considered independent:** No

**Position:** UCONNECT, CEO

**Other positions:** Unic Air ApS (Chairman), Scandinavisk Industrimontage A/S (Chairman), Vendelbo Spedition A/S (Chairman), KS Gruppen A/S (Chairman), Rota-Dan A/S (Chairman), Gromas Maskinfabrik A/S (Board member), Kronjyllands Camping & Marine Center A/S (Board member)

**Educational background:** Technical College, Radio Engineer

**Key skills:** Sales performance and planning. Go-To-Market strategy and business development. Results-oriented processes



**Michael Aaen** (Born 1964)

**Board Member** (since 2011)

2,337,532 Wirtek shares were held per 31 December 2022 either directly or by companies wholly owned

**Considered independent:** No

**Position:** Wirtek, CEO

**Other positions:** None

**Educational background:** M.Sc., Computer Science from Aalborg University and Diploma in Management from Henley Business School

**Key skills:** Strategy development and execution. More than 30 years of management experience in the international IT industry. Holistic business approach



# Executive Management

**Michael Aaen** (Born 1964)

**Chief Executive Officer** (since 2001)

2,337,532 Wirtek shares were held per 31 December 2022 either directly or by companies wholly owned

**Employment since:** 2001

**Position:** Wirtek, CEO

**Other positions:** None

**Educational background:** M.Sc., Computer Science from Aalborg University and Diploma in Management from Henley Business School

**Key skills:** Strategy development and execution. More than 30 years of management experience in the international IT industry. Holistic business approach



**Aurora Nicoleta Peșteșan** (Born 1981)

**Chief Financial Officer** (since 2022)

**Employment since:** 2022

**Position:** Wirtek, CFO

**Other positions:** None

**Educational background:** BS, Finance and Banking, University of Cluj-Napoca

**Key skills:** Financial Controlling and Planning, Risk Management, IFRS Reporting, Change Management and Leadership



**Flaviu Zapca** (Born 1984)

**Chief Operating Officer** (since 2023)

78,851 Wirtek shares were held per 31 December 2022 either directly or by companies wholly owned

**Employment since:** 2021

**Position:** Wirtek, COO

**Other positions:** None

**Educational background:** BS, Computer Science from Technical University of Cluj Napoca and Executive MBA from University of Buckingham (in progress)

**Key skills:** Leadership, Business Strategy and Entrepreneurship, Team Management, Agile Framework, Client Relations and Business Development, Operations Management



# Proactive Risk Management

Wirtek has in 2022 been facing a larger degree of business uncertainties like rising interest rates and inflation and at the same time continued bottlenecks in the global IT job market. It is through proactive risk management that we are able to identify, mitigate and manage such risks as they arise.

Wirtek remains in a healthy liquidity situation but due to the larger business activity combined with high level of uncertainty in the world, the Board of Directors has decided to add Liquidity risk to the list of Key Risk factors to monitor. This addition should only be seen as a precaution.

The scope of our risk governance is to reduce the possibility of a risk occurring and reduce its potential impact in order to be able to deliver successfully on our growth strategy, Accelerate25XL goals and beyond.

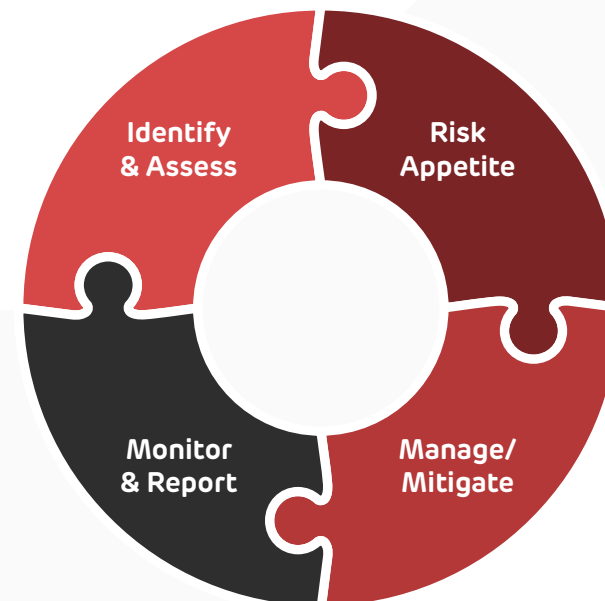


Wirtek's risk management framework continues to provide **a strong foundation** upon which we can successfully deliver on our strategic priorities. Following our strategy update in 2022, our risk management framework has been reviewed and the Board of Directors has approved the implementation of an enhanced risk management setup.

## Risk Governance Framework

The Board of Directors is responsible for the overall risk management approach and defines the risk appetite of Wirtek. Risk management continues to be an integrated part of our culture including the entire management team proactively identifying, monitoring and managing the material and emerging risks, that could negatively impact our organization and our value drivers.

This risk assessments incorporate a groupwide top-down and bottom-up evaluation to determine the likelihood of occurrence and potential impact of risks on the group level.





Wirtek is primarily focusing on mitigating risks with a medium to high probability of occurrence and with a potential significant negative impact on our key value drivers.

### Key risk categories:

Attraction and retention of talent

Losing a key client

Acquisitions and integration failure

IT breakdown and data breach

Currency fluctuations

Credit risk

Liquidity risk





## Attraction and retention of talent

### Risk description

We consider our talented employees to be our most valuable asset. Retention of our skilled team members and the attraction of new talented employees remains a cornerstone in providing high quality services to our clients.

Skilled IT professionals continues to be in high demand, which has been reinforced by inflation and rising wages.

There is a widespread shortage of talent with the skillset we need and if we are unable to retain and attract the needed talent, this could significantly impact our ability to achieve the goals of our Accelerate25XL strategy.

### Risk mitigation

One of the key goals in Wirteks Accelerate25XL strategy is to maintain a retention rate of 85% or larger from 2023 and onwards.

To achieve this a strategic track 'Best in class workplace' has been introduced in order to retain existing employees and attract new talent.

The acquisition strategic goal aiming at establishing sourcing capabilities in other countries with the right combination of skills, capacity, culture, stability and cost will contribute to the risk mitigation.



## Losing a key client

### Risk description

Losing a key client could negatively impact our ability to achieve our growth ambitions.

The main identified reason for why a client would be leaving us voluntarily is identified as us not being able to deliver the service level expected by the key client.

### Risk mitigation

To reduce this risk, we involve clients closely when establishing and changing the teams delivering the services to the client.

Additionally, Wirteks management team discusses each client team on weekly meetings, identifying areas that need immediate attention and on short and long terms. Wirtek will keep a close and up front dialogue with our clients addressing any identified challenges as soon as possible.



## Acquisitions and integration failure

### Risk description

Growth through acquisitions is fundamental to our corporate strategy. Acquisitions will always entail

a risk of unsuccessful integration of the acquired company, which could result in loss of synergies, strategic advantages and economies of scale being delayed or not fully realized. Deciding on, and carrying out, the wrong acquisition and subsequent integration may be costly and take up valuable resources that otherwise could have been spent on other potential acquisition candidates.

### Risk mitigation

Wirtek has a number of criteria that needs to be in place in connection with a potential acquisition. Prior to completing an acquisition, Wirtek will conduct a thorough due diligence of the vital aspects of the target company to ensure a perfect match to our business model and corporate culture.



## IT breakdown and data breach

### Risk description

IT systems, networks and related processes are crucial for Wirteks ability to deliver on time and comply with client expectations and requirements.

A security hardened IT infrastructure is fundamental to build a flexible workspace environment with an opportunity of working from home. The risks related to IT at Wirtek is defined as risk of any hardware failures, human error risks e.g. employees installing non-approved software, security risks as spam, virus

og malicious attacks initiated either from outside or inside Wirtek infrastructure.

### Risk mitigation

To reduce the risk of IT breakdown and data breach we have prepared several general and specific procedures and policies. Hardware risks are prevented by using redundancy and having a strong backup policy in place with both local and cloud storage (off-site backup).

Mitigating hardware risks are included in the business continuation plan, while software risks are mitigated through various methods, which includes but is not limited to IT-policy documents, antivirus, intrusion prevention systems, network segregation and increased security levels on networking. Yearly security audits and penetration tests are performed as part of the risk mitigation.



## Currency fluctuations

### Risk description

We face a currency risk from two sources – revenue from international clients and intra-company invoicing. In 2022, 49% of our revenue came from international clients exposing Wirtek towards foreign currencies risks. Wirtek A/S is invoiced for services delivered from our Romanian subsidiary Wirtek SRL in EUR.

### Risk mitigation

To reduce our currency risk emanating from revenue generating activities, Wirtek normally only accepts contracts in either DKK or EUR currency, thus significantly reducing our exposure to fluctuations in other currencies. Wirtek is only subject to currency risks regarding the USD in a few client contracts.



## Credit risk

### Risk description

The majority of our clients buy services from Wirtek with a value of more than DKK 1m per year. Delayed client payment or business failure of a client can therefore negatively impact our liquidity and financial results.

### Risk mitigation

Currently, none of Wirteks clients' accounts for more than 15% of the revenue of the group and it remains a key focus point to ensure no significant single client dependencies beyond this level. As the company grows with additional clients the current single-client dependencies and subsequent credit risk will naturally decline.

Wirtek focuses on maintaining short payment terms in our client contracts and only in rare circumstances clients have contractual payment terms longer than 30 days. This ensures a good liquidity position

and a reduced credit risk. Wirtek has implemented solid procedures for following up on overdue client invoices.



## Liquidity risk

### Risk description

Liquidity risk is defined as the risk of Wirtek encountering difficulties in timely meeting the obligations associated with the financial liabilities to be settled by delivering cash or other financial assets.

### Risk mitigation

Wirteks approach to managing liquidity is to ensure sufficient liquidity to meet the liabilities, when due, under both normal and under stressed conditions, without incurring unacceptable losses or risking damage to the our reputation.

We aim at maintaining a level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. We monitor the level of expected cash inflows on trade receivables with regards to expected cash outflows on trade payables, earn-out payments and other payables. In addition, we maintain sufficient credit facilities for financing of the operating expenses.

# Shareholder Information

At Wirtek we are focused on creating long-term shareholder value by continuously investing and strengthening the fundamentals of the company.

Wirtek has a cutting edge in delivering IT-outsourcing services in a smart and cost-efficient way, but most importantly we build long lasting client relationships by acting as if we are a part of our client's company. As a company we are positively exposed to the continued digitalization and automatization worldwide – and so are our shareholders.

## The Wirtek share

Wirtek's share capital amounts to DKK 1,119,332.80 divided into 7,462,212 shares of DKK 0.15 each. There is only one class of shares, each share representing one vote.

	End of 2022	Average, 2022	End of 2021	Average, 2021
Wirtek shares	7,462,212	7,354,062	7,245,912	7,074,162

Wirtek shares (ISIN code [DK0060040913](#)) is listed on Nasdaq First North Growth Market Copenhagen under the symbol WIRTEK and classified under ICB code 1010, Technology. The official share price on 31 December 2022 was DKK 12.40, equal to a market capitalization of DKK 92.5m. Wirtek's share price fell by 33% in 2022. By comparison, the First North DK index fell by 13% during 2022. The average daily turnover of Wirtek shares on Nasdaq First North Growth Market Copenhagen was DKK 73,635 in 2022, with an average daily volume of 4.426 shares.

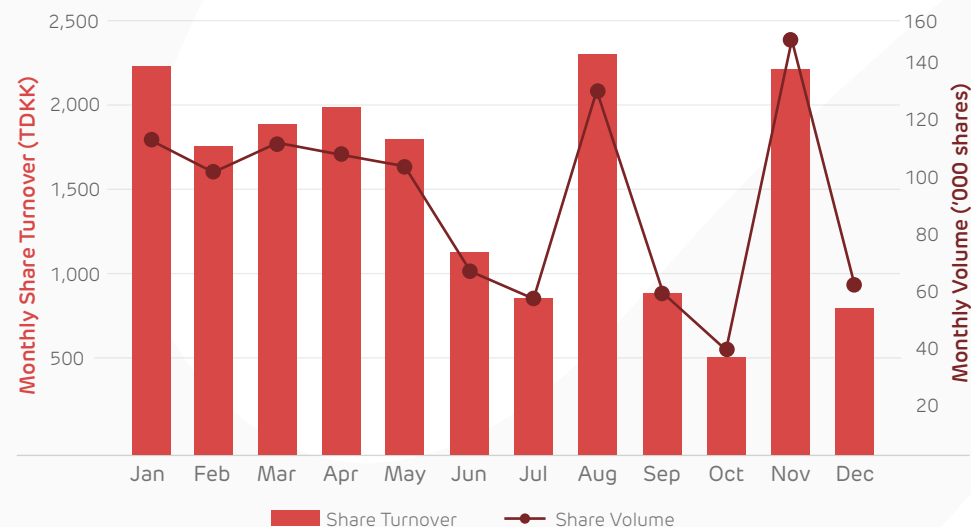
## Shareholder structure

At the end of 2022, Wirtek had 1,850 registered shareholders, a decrease in number of registered shareholders of 8% compared to end of 2021. The Board of Directors and the Executive Management team shareholdings was a total of 3.654.208 issued

Wirtek shares, corresponding to 49.0% of the company's share capital at the end of December 2022. The following shareholders have notified the company of an ownership of more than 5% as of December 31, 2022:

- Aaen Holding Aps: 27,8%
- E I Invest ApS: 9,8%

## Share Volume and Turnover in 2022



## Share-based incentive schemes

An employee warrants program was established in 2018 with a total of 1,000,000 warrants granted in 2018, 2019 and 2020, corresponding to a total of nom. DKK 150,000, which, subject to certain conditions, can be utilized by employees for new shares at a strike price of DKK 3.87 for warrants granted in 2018, DKK 6.10 for

warrants granted in 2019 and DKK 5.35 for warrants granted in 2020. Further details of the employee warrants program can be found in company announcement no. 101 dated 7 June 2018, company announcement no. 108 dated 5 June 2019 and company announcement no. 118 dated 26 June 2020.

A warrants-based Long-Term Incentive Program (LTIP) was established in 2021 with a total of 900,000 warrants granted for the five-year period 2021-2025, corresponding to a total of nom. DKK 135,000, which, subject to certain conditions can be utilized by the Board and Director-level management for new shares at a strike price of DKK 18.30.

As part of the commitment towards the strategic goals, participants in the LTIP will forego any increases in board fees, salaries and bonuses during a 3-year period (2021 - 2023) to decrease overhead cost and thereby increase profitability. Further details of the LTIP can be found in company announcement no 15/2021.

In 2022, the Board of Directors approved a new employee warrants program with the purpose of attracting and retaining talented employees. The warrants program will broadly target employees below Director-level in Wirtek and is an important step in achieving Wirtek's Accelerate25XL strategy. 350,000 warrants with a nominal value of DKK 52,500 are issued in accordance with §3.6 of the articles of association.

The exercise price for each warrant is DKK 16.20 and was calculated as the average weighed share price from 5 September 2022 – 9 September 2022. Further details of the employee warrants program can be found in company announcement no. 13/2022 dated 12 September 2022.

## Dividends

As part of Wirtek's focus on investor care, the company has paid out dividends to its investors during the past several years. The recent dividends history is:

DKK	FY 2021	FY 2020	FY 2019	FY2018	FY2017
Dividend per share (DKK)	0.37	0.20	0.16	0.11	0,09
Total dividend pay-out (DKK)	2,680,988	1,380,482	1,104,386	759,265	2,553,892

The Board of Directors will propose a dividend pay-out for FY 2022 of TDKK 3,134 at the Annual General Meeting on 19 April 2023, which is equal to DKK 0.42 per share of DKK 0.15 nominal value, a pay-out ratio of 57%. The proposed dividend corresponds to 3.4% of the closing share price on 31 December 2022.

Wirtek has a formulated goal of paying out dividend of at least 2% of the closing share price for the fiscal year, up to a maximum of 75% of the net profit for that year. To be eligible for dividends, shares must be registered in the custody account on or before the date of the Annual General Meeting.

## Investor Relations

Wirtek strives to maintain an open dialogue with our shareholders and potential investors. Wirtek recommend all shareholders to have their shares registered by name in the register of shareholders. Wirtek also recommend all shareholders to sign up for Wirtek news service on our website: <https://www.wirtek.com/investor-relations>

## Financial Calendar 2023

19 April 2023 - Annual General Meeting

10 May 2023 - Interim report Q1 2023

9 August 2023 - Interim report Q2 2023

8 November 2023 - Interim report Q3 2023

## Investor enquiries

**Michael Aen, CEO**

Phone: +45 7214 6660 | Mobile: +45 2529 7575 | E-mail: [ir@wirtek.com](mailto:ir@wirtek.com)





# Board of Directors Statement and Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Wirtek A/S for the financial year 1 January - 31 December 2022. The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 22 March 2023

## Executive Board

**Michael Aen**

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## Board of Directors

**Kent Mousten Sørensen**  
Chairman

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**Jens Uggerhøj**

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**Michael Aen**

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# Independent Auditor's Report

## To the Shareholders of Wirtek A/S

### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Wirtek A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company.

The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

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

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act. Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aalborg, 22 March 2023

BDO Statsautoriseret revisionsaktieselskab

CVR no. 20 22 26 70

**Georg Aaen**

State Authorised Public Accountant

MNE no. mne26734





# Financial Statements

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In this Annual Report, the following definitions shall apply unless otherwise specified: "the Company" or "Wirtek" refers to the Wirtek Group, CVR no DK26042232, which consists of Wirtek A/S and the fully owned Romanian subsidiaries Wirtek SRL and CoreBuild Software Services SRL.

# Financial Highlights of the Group

	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
<b>Income statement</b>					
Revenue	65,716	45,372	27,626	23,216	20,405
Operating profit/loss before depreciation and amortisation (EBITDA)	7,516	6,242	3,110	1,793	1,573
Operating profit/loss of main activities	6,105	5,427	3,065	1,395	1,352
Financial income and expenses, net	-389	-181	-26	-50	1
Profit/loss for the year before tax	5,716	5,246	3,039	1,345	1,353
Profit/loss for the year	5,079	4,794	4,891	1,512	1,005
<b>Balance sheet</b>					
Total assets	30,146	26,679	13,998	8,080	6,840
Equity	15,644	9,410	7,448	3,705	2,979
<b>Cash flows</b>					
Cash flows from operating activities	2,332	6,533	2,775	1,249	1,981
Cash flows from investing activities	-776	-10,550	-127	-199	-691
Cash flows from financing activities	-1,241	4,929	-1,104	-759	-465
Total cash flows	315	912	1,544	291	825
Investment in property, plant and equipment	-485	-826	-123	-160	-182
<b>Key ratios</b>					
Operating margin (%)	9.3	12.0	6.0	6.6	5.7
Liquidity ratio (%)	142.7	95.9	208.4	174.2	158.7
Equity ratio (%)	51.9	35.3	53.2	45.9	43.6
Return on equity (%)	40.5	56.9	87.7	45.2	37.2
Earnings per share, EPS (DKK)	0.68	0.66	0.71	0.22	0.15
Index for revenue	322	222	135	114	100

The ratios stated in the list of key figures and ratios have been calculated as follows:

<b>Key Ratio Definitions</b>	
<b>Operating margin</b>	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
<b>Liquidity ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
<b>Equity ratio</b>	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
<b>Return on equity</b>	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
<b>Earnings per share, EPS</b>	$\frac{\text{Earnings after tax}}{\text{Average number of shares}}$

# Income Statement

1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
<b>NET REVENUE</b>		<b>65,716</b>	<b>45,372</b>	<b>48,500</b>	<b>33,749</b>
Other operating income		599	27	4,267	2,567
Other external expenses		-29,072	-18,391	- 48,911	-31,583
<b>GROSS PROFIT/LOSS</b>		<b>37,243</b>	<b>27,008</b>	<b>3,856</b>	<b>4,733</b>
Staff costs	1	-29,727	-20,766	- 2,977	- 2,540
Depreciation, amortisation and impairment		-1,411	-815	-49	-34
<b>OPERATING PROFIT</b>		<b>6,105</b>	<b>5,427</b>	<b>830</b>	<b>2,159</b>
Income from investments in subsidiaries		0	0	4,043	2,684
Other financial income	2	384	417	368	90
Other financial expenses	3	-773	-598	-162	-139
<b>PROFIT BEFORE TAX</b>		<b>5,716</b>	<b>5,246</b>	<b>5,079</b>	<b>4,794</b>
Tax on profit/loss for the year	4	- 637	-452	0	0
<b>PROFIT FOR THE YEAR</b>		<b>5,079</b>	<b>4,794</b>	<b>5,079</b>	<b>4,794</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>					
Proposed dividend for the year		3,134	2,681	3,134	2,681
Allocation to reserve for net revaluation according to equity value		0	0	4,043	2,684
Retained earnings		1,945	2,113	-2,098	-571
<b>TOTAL</b>		<b>5,079</b>	<b>4,794</b>	<b>5,079</b>	<b>4,794</b>



# Balance Sheet at 31 December

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
<b>ASSETS</b>					
Intangible fixed assets acquired		291	2	166	0
Goodwill		8,268	9,260	99	119
<b>Intangible assets</b>	5	<b>8,559</b>	<b>9,262</b>	<b>265</b>	<b>119</b>
Other plants, machinery, tools and equipment		862	803	12	41
<b>Property, plant and equipment</b>	6	<b>862</b>	<b>803</b>	<b>12</b>	<b>41</b>
Equity investments in group enterprises		0	0	9,463	5,436
Rent deposit and other receivables		125	125	0	0
<b>Financial non current assets</b>	7	<b>125</b>	<b>125</b>	<b>9,463</b>	<b>5,436</b>
<b>NON CURRENT ASSETS</b>		<b>9,546</b>	<b>10,190</b>	<b>9,740</b>	<b>5,596</b>
Trade receivables		10,557	8,134	7,922	4,807
Contract work in progress		0	27	0	27
Receivables from group enterprises		0	0	7,917	9,496
Deferred tax assets	8	2,885	2,849	2,800	2,800
Other receivables		1,428	492	0	84
Joint tax contribution receivable		0	0	0	112
Prepayments and accrued income		612	184	339	66
<b>Receivables</b>		<b>15,482</b>	<b>11,686</b>	<b>18,978</b>	<b>17,392</b>
<b>Cash and cash equivalents</b>		<b>5,118</b>	<b>4,803</b>	<b>3,534</b>	<b>2,356</b>
<b>CURRENT ASSETS</b>		<b>20,600</b>	<b>16,489</b>	<b>22,512</b>	<b>19,748</b>
<b>ASSETS</b>		<b>30,146</b>	<b>26,679</b>	<b>32,252</b>	<b>25,344</b>

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
<b>EQUITY AND LIABILITIES</b>					
Share capital		1,119	1,087	1,119	1,087
Reserve for net revaluation according to equity value		0	0	7,043	3,017
Retained profit		11,391	5,643	4,348	2,626
Proposed dividend		3,134	2,681	3,134	2,681
<b>EQUITY</b>		<b>15,644</b>	<b>9,411</b>	<b>15,644</b>	<b>9,411</b>
Other liabilities		63	66	63	66
<b>Non current liabilities</b>	9	<b>63</b>	<b>66</b>	<b>63</b>	<b>66</b>
Bank debt		2,999	3,988	2,999	3,988
Trade payables		3,386	1,859	1,655	1,149
Payables to group enterprises		0	0	6,810	2,005
Corporation tax		167	387	0	112
Other liabilities		7,887	10,968	5,081	8,613
<b>Current liabilities</b>		<b>14,439</b>	<b>17,202</b>	<b>16,545</b>	<b>15,867</b>
<b>LIABILITIES</b>		<b>14,502</b>	<b>17,268</b>	<b>16,608</b>	<b>15,933</b>
<b>EQUITY AND LIABILITIES</b>		<b>30,146</b>	<b>26,679</b>	<b>32,252</b>	<b>25,344</b>
Contingencies etc.	10				
Charges and securities	11				

# Equity

	Group				
	Share capital	Share premium account	Retained profit	Proposed dividend	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2022	1,087	0	5,643	2,681	9,411
Proposed profit allocation			1,945	3,134	5,079
<b>Transactions with owners</b>					
Dividend paid				-2,681	-2,681
Capital increase	32	1,212			1,244
Cost of capital increase			-51		-51
Dividend from own equity investments			30		30
Purchase of own equity investments			-149		-149
Sale of own equity investments			2,778		2,778
<b>Other legal bindings</b>					
Foreign exchange adjustments			-17		-17
<b>Transfers</b>					
Allowed equalization		-1,212	1,212		0
<b>Equity at 31 December 2022</b>	<b>1,119</b>	<b>0</b>	<b>11,391</b>	<b>3,134</b>	<b>15,644</b>

	Parent Company						Total
	Share capital	Share premium account	Reserve for net revaluation according to equity value	Retained profit	Proposed dividend		
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	
Equity at 1 January 2022	1,087	0	3,017	2,626	2,681	9,411	
Proposed profit allocation			4,043	-2,098	3,134	5,079	
<b>Transactions with owners</b>							
Dividend paid					-2,681	-2,681	
Capital increase	32	1212				1,244	
Cost of capital increase				-51		-51	
Dividend from own equity investments				30		30	
Purchase of own equity investments				- 149		- 149	
Sale of own equity investments				2,778		2,778	
<b>Other legal bindings</b>							
Foreign exchange adjustments			-17			-17	
<b>Transfers</b>							
Allowed equalization		-1,212		1,212		0	
<b>Equity at 31 December 2022</b>	<b>1,119</b>	<b>0</b>	<b>7,043</b>	<b>4,348</b>	<b>3,134</b>	<b>15,644</b>	

# Cash Flow Statement

1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Profit/loss for the year	5,079	4,794	5,079	4,794
Depreciation and amortisation, reversed	1,411	815	49	34
Cash flows from exchange rate provisions	-5	-51	0	0
Profit/loss from subsidiaries	0	0	-4,044	-2,684
Tax on profit/loss, reversed	637	452	0	0
Other adjustments	331	431	0	33
Corporation tax paid	-857	-131	0	0
Change in receivables (ex tax)	8,613	-590	-1,699	-8,363
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-12,877	813	1,779	6,205
<b>CASH FLOWS FROM OPERATING ACTIVITY</b>	<b>2,332</b>	<b>6,533</b>	<b>1,164</b>	<b>19</b>
Purchase of intangible assets	-291	-9,709	-166	0
Purchase of property, plant and equipment	-485	-826	0	-31
Purchase of financial assets	0	-15	0	-15
Sale of financial assets	0	0	0	41
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>	<b>-776</b>	<b>-10,550</b>	<b>-166</b>	<b>-5</b>
Capital increase	1,194	1,257	1,194	1,242
Purchase of own shares	-149	-4,116	-149	-4,116
Sale of own shares	2,778	1,487	2,778	1,487
Changes in loans	-1,424	3,693	-3	5
Changes in bank overdraft	-989	3,988*	-989	3,988*
Dividends paid in the financial year	-2,681	-1,380	-2,681	-1,380
Dividends from own shares	30	0	30	0
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>	<b>-1,241</b>	<b>4,929</b>	<b>180</b>	<b>1,226</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>315</b>	<b>912</b>	<b>1,178</b>	<b>1,240</b>
Cash and cash equivalents at 1 January	4,803	3,891	2,356	1,116
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>5,118</b>	<b>4,803</b>	<b>3,534</b>	<b>2,356</b>
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	5,118	4,803	3,534	2,356
<b>CASH AND CASH EQUIVALENTS</b>	<b>5,118</b>	<b>4,803</b>	<b>3,534</b>	<b>2,356</b>

\*As a result of clarified practices in the area, the presentation of the parent company's bank overdraft has been changed from negative cash and cash equivalents to financing activity. The comparative figures for Parent and Group have therefore been adjusted as follows. Group "Cash flow from financing activity" 2021 increased from TDKK 940 to TDKK 4,929. Group "Cash and cash equivalents at 31 December" 2021 and "Cash and cash equivalents" 2021 both increased from TDKK 815 to TDKK 4,803. Parent "Cash flow from financing activity" 2021 increased from TDKK -2,762 to TDKK 1,226. Parent "Cash and cash equivalents at 31 December" 2021 and "Cash and cash equivalents" 2021 both increased from TDKK -1,632 to TDKK 2,356.

# Notes

In 2022, the Board of Directors approved a new employee warrants program with the purpose of attracting and retaining talented employees.

The warrants program will broadly target employees below Director-level in Wirtek and is an important step in achieving Wirtek's Accelerate25XL strategy. 350,000 warrants with a nominal value of DKK 52,500 are issued in accordance with §3.5 of the articles of association. The exercise price for each warrant is DKK 16.20 and was calculated as the average weighed share price from 5 September 2022 – 9 September 2022.

In 2021 a total of 900,000 warrants have been granted, corresponding to a total of nom. DKK 135,000, which, subject to certain conditions, can be utilised by Upper Management and Board of Directors for new shares at a price of 18.30, corresponding to the weighted average share price in 5 trading days prior to announcing the Accelerate25 growth strategy.

In 2018, 2019 and 2020, a total of 1.000.000 warrants have been granted, corresponding to a total of nom. DKK 150,000, which, subject to certain conditions, can be utilized by employees for new shares at a price of 3,87 / 6,10 / 5,35, respectively.

The price for 2018 and 2019 corresponds to the weighted average share price in the period 1 January to 13 April 2018 and 1 January to 30 April 2019. The price for 2020 corresponds to the closing price on the trading day 25 June 2020.

1 Staff costs	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Average number of employees	138	137	2	2
Wages and salaries	28,855	20,161	2,920	2,480
Pensions	5	5	5	5
Social security costs	567	389	8	7
Other staff costs	300	211	44	48
	<b>29,727</b>	<b>20,766</b>	<b>2,977</b>	<b>2,540</b>

2 Other financial income	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Group enterprises	0	0	360	90
Other interest income	384	417	8	0
	<b>384</b>	<b>417</b>	<b>368</b>	<b>90</b>

3 Other financial expenses	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Other financial expenses	773	598	162	139
	<b>773</b>	<b>598</b>	<b>162</b>	<b>139</b>

#### 4 Tax on profit/loss for the year

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Calculated tax on taxable income of the year	785	501	0	0
Adjustment of tax for previous years	-112	0	0	0
Adjustment of deferred tax	-36	-49	0	0
	<b>637</b>	<b>452</b>	<b>0</b>	<b>0</b>

#### 5 Intangible assets

	Group		Parent Company	
	Intangible fixed assets acquired TDKK	Goodwill TDKK	Intangible fixed assets acquired TDKK	Goodwill TDKK
Cost at 1 January 2022	160	9,859	0	150
Additions	291	0	166	0
<b>Cost at 31 December 2022</b>	<b>451</b>	<b>9,859</b>	<b>166</b>	<b>150</b>
Amortisation at 1 January 2022	158	600	0	31
Amortisation for the year	2	991	0	20
<b>Amortisation at 31 December 2022</b>	<b>160</b>	<b>1,591</b>	<b>0</b>	<b>51</b>
<b>Carrying amount at 31 December 2022</b>	<b>291</b>	<b>8,268</b>	<b>166</b>	<b>99</b>

#### 6 Property, plant and equipment

	Group
	Other plants, machinery, tools and equipment TDKK
Cost at 1 January 2022	1,510
Additions	485
Disposals	-20
<b>Cost at 31 December 2022</b>	<b>1,975</b>
Depreciation and impairment losses at 1 January 2022	707
Reversal of depreciation of assets disposed of	-7
Depreciation for the year	413
Depreciation and impairment losses at 31 December 2022	1,113
<b>Carrying amount at 31 December 2022</b>	<b>862</b>
	<b>Parent Company</b>
	<b>Other plants, machinery, tools and equipment TDKK</b>
Cost at 1 January 2022	177
<b>Cost at 31 December 2022</b>	<b>177</b>
Depreciation and impairment losses at 1 January 2022	136
Depreciation for the year	29
Depreciation and impairment losses at 31 December 2022	165
<b>Carrying amount at 31 December 2022</b>	<b>12</b>

## 7 Financial non current assets

	Group
	Rent deposit and other receivables TDKK
Cost at 1 January 2022	125
Cost at 31 December 2022	125
<b>Carrying amount at 31 December 2022</b>	<b>125</b>

	Parent Company
	Equity investments in group enterprises TDKK
Cost at 1 January 2022	2,419
Cost at 31 December 2022	2,419
Revaluation at 1 January 2022	3,017
Exchange adjustment	-17
Revaluation and impairment losses for the year	4,044
<b>Revaluation at 31 December 2022</b>	<b>7,044</b>
<b>Carrying amount at 31 December 2022</b>	<b>9,463</b>

Name and domicile	Ownership
Wirtek SRL, Cluj-Napoca, Romania	100%
CoreBuild Software Services SRL, Cluj-Napoca, Romania	100%

## 8 Deferred tax assets

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Deferred tax, beginning of year	2,849	2,800	2,800	2,800
Deferred tax of the year, income statement	36	49	0	0
<b>Provision for deferred tax 31 December 2022</b>	<b>2,885</b>	<b>2,849</b>	<b>2,800</b>	<b>2,800</b>

Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.

Based on expectations of a positive operating profit before tax in the parent company in the next 4-5 years, the company's management has assessed a value of the company's tax asset at TDKK 2,800.

## 9 Long term liabilities

	Group			
	31/12 2022 total liabilities TDKK	Repayment next year TDKK	Debt out- standing after 5 years TDKK	31/12 2021 total liabilities TDKK
Other liabilities	63	0	66	66
	<b>63</b>	<b>0</b>	<b>66</b>	<b>66</b>

	Parent Company			
	31/12 2022 total liabilities TDKK	Repayment next year TDKK	Debt out- standing after 5 years TDKK	31/12 2021 total liabilities TDKK
Other liabilities	63	0	66	66
	<b>63</b>	<b>0</b>	<b>66</b>	<b>66</b>

## 10 Contingencies etc.

### Contingent liabilities

The parent company has submitted a letter of support to the two subsidiaries in which the company declares, through possible subsidies, to provide the necessary financial support to ensure the continued operation of the subsidiaries. In addition, the parent company does not intend to reduce its financial position in the subsidiaries. The letter of support is valid for the time being and at least for the next 12 months.

## 11 Charges and securities

As security for the bank credit facility of TDKK 2,999, the company has granted a mortgage of TDKK 2,000. The mortgage comprises the following assets, the carrying amount of which as of 31 December is:

	Group	Parent Company
	TDKK	TDKK
Trade receivables	<b>10,557</b>	<b>7,922</b>



# Accounting Policies

The Annual Report of Wirtek A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## Consolidated Financial Statements

The consolidated financial statements include the parent company Wirtek A/S and its subsidiaries in which Wirtek A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative

figures are not adjusted for new acquired, sold or wound up enterprises. The date of acquisition is the date at which the Group gains actual control over the acquired business.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date.

The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Positive differences (goodwill) between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life. Negative differences are recognised in the Income Statement upon takeover.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

## Income statement

### Net revenue

Net revenue comprises of software development projects and services attributable to the fiscal year. Net revenue is recognised ex VAT and with deduction of the charges and discounts, that may be related to the sale. Where services are sold, revenue is generally recognised on the basis of a measurable degree of completion, however, straight line recognition is applied to services which are delivered over time in a regular pattern. If the degree of completion is not measurable or the sales value or total costs of completing the services are uncertain, revenue is recognised by an amount not exceeding the amount, that the enterprise believes it can claim and is expected to be received for the services delivered at the Balance Sheet date.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when, the production progresses, the net revenue being equal to the sales value of the work

performed for the year (the production method). This method is applied when the total costs and expenses, regarding the contract and the degree of completion at the Balance Sheet date, can be reliably assessed, and it is likely, that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

Costs of securing contracts are recognized in the income statement when incurred.

### **Other operating income**

Other operating income includes items of a secondary nature in relation to the Group's and the enterprises' principal activities, including profit from sale of intangible and tangible assets, and salary refunds.

### **Other external expenses**

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### **Staff costs**

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### **Income from investments in subsidiaries**

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Profits from sale are recognized, if the economic rights related to the sold Equity interests are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognized, when they are demonstrated.

### **Financial income and expenses**

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax on account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year. Interest and other costs of borrowing for financing of manufacture of current assets and fixed assets are not recognised in the cost price.

### **Tax**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be

attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

### **Balance sheet**

#### **Intangible fixed assets**

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry specific conditions.

Other intangible fixed assets acquired are measured at the lower of cost less accumulated amortisation or recoverable amount.

Other intangible fixed assets acquired are amortised on a straight line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

#### **Tangible fixed assets**

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs. Straight line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	2-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Financial non current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition

or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

### Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write down to meet expected losses.

### Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

## Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account. Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected realisable value of the asset, either by set off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax.

Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

## Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less

borrowing costs.

In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortized cost for current liabilities usually corresponds to nominal value.

## Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date.

Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date.

The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

## Cash flow statement

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

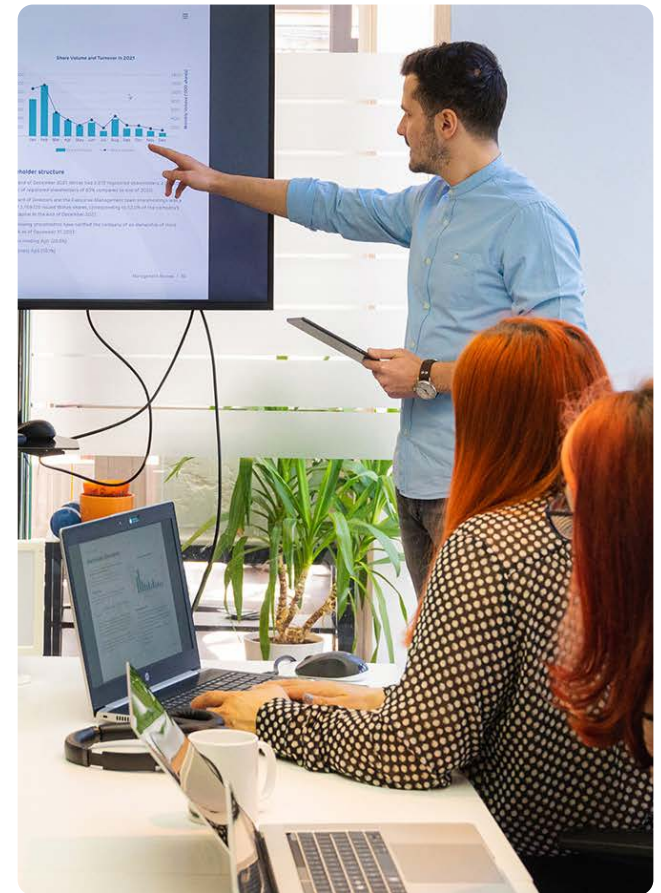
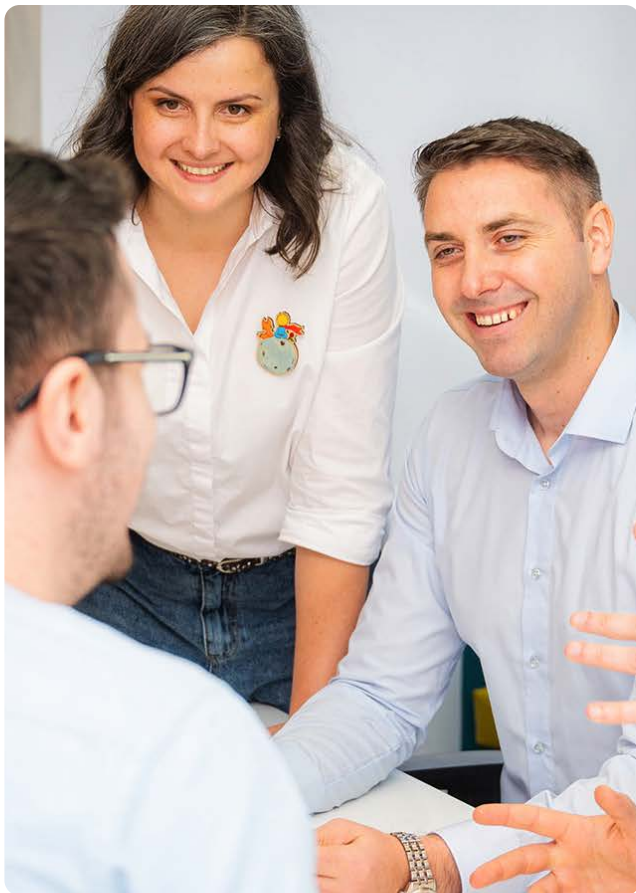
### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.

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Bestyrelsesmedlem

Serienummer: dbb79ee2-ea33-452b-aa9d-5c640f740901

IP: 87.52.xxx.xxx

2023-03-28 06:29:01 UTC



## Kent Mousten Sørensen

Bestyrelsesmedlem

Serienummer: 5c3c8976-54b0-4adf-9673-e8a84f17c6c3

IP: 85.203.xxx.xxx

2023-03-28 07:10:06 UTC



## Jens Uggerhøj

Bestyrelsesmedlem

Serienummer: 4671ba1f-4f3a-4d8b-bfd6-a54e235f676c

IP: 62.107.xxx.xxx

2023-03-28 07:46:36 UTC



## Georg Aaen

Statsautoriseret revisor

Serienummer: CVR:20222670-RID:1205393694051

IP: 77.243.xxx.xxx

2023-03-28 08:34:37 UTC



## Jens Uggerhøj

Dirigent

Serienummer: 4671ba1f-4f3a-4d8b-bfd6-a54e235f676c

IP: 62.107.xxx.xxx

2023-04-19 10:53:29 UTC



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