BEIERHOLM
VI SKABER BALANCE

Hedaa Holding ApS

Søtoften 27, 2820 Gentofte

CVR no. 27 40 43 24

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 10.06.24

Jeppe Hedaa
Dirigent

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Group information etc.

The company

Hedaa Holding ApS
Søtoften 27
2820 Gentofte
Tel.: 40 55 57 77
Registered office: Gentofte
CVR no.: 27 40 43 24
Financial year: 01.01 - 31.12

Executive Boards

Direktør Jeppe Hedaa

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Boards on the annual report

I have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Hedaa Holding ApS.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Gentofte, June 10, 2024

Executive Boards

Jeppe Hedaa
Direktør

Independent auditor’s report

To the capital owner of Hedaa Holding ApS

Opinion

We have audited the consolidated financial statements and financial statements of Hedaa Holding ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 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 financial statements” section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and financial statements

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and financial statements unless management either intends to liquidate the group and 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 financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the 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 financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Soeborg, Copenhagen, June 10, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Philip Heick-Poulsen

State Authorized Public Accountant
MNE-no. mne34280

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
Profit/loss					
Revenue	1,514,533	1,417,093	1,245,645	1,053,583	1,030,343
Index	147	138	121	102	100
Operating profit/loss	55,235	37,234	49,523	48,901	45,185
Index	122	82	110	108	100
Total net financials	986	-1,127	-754	-2,736	-778
Index	-127	145	97	352	100
Profit for the year	38,953	25,671	34,882	33,072	30,942
Index	126	83	113	107	100
Balance					
Total assets	403,169	383,620	359,661	293,395	276,433
Index	146	139	130	106	100
Investments in property, plant and equipment	4,836	1,438	3,485	2,710	1,522
Index	318	94	229	178	100
Equity	120,535	83,141	90,060	79,990	69,025
Index	175	120	130	116	100

Ratios

	2023	2022	2021	2020	2019
Profitability					
Return on equity	36%	30%	43%	45%	49%
Profit margin	4%	3%	4%	5%	4%
Equity ratio					
Solvency ratio	41%	21%	25%	27%	25%
Others					
Number of employees (average)	303	295	351	355	321

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Profit margin: $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

Solvency ratio: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

Hedaa Holding ApS is the ultimate parent company in the group, with the predominant business activities situated within 7N A/S.

7N's core business area is IT consulting, offering consultants with a minimum of 10 years of experience. We exclusively work with the top 3% of freelance consultants across various disciplines. These disciplines encompass all major IT fields, including project and program management, application development, architecture, training, infrastructure services, and several other related areas.

7N is represented in Denmark, Poland, India, Norway, Sweden, Finland, Switzerland, Italy, and the USA. Additionally, 7N offers offshoring services in Poland and India. 7N assists clients in finding the most skilled consultants in Poland and India and supports them with other practical and managerial tasks, while the project responsibility remains with the clients. This allows clients to benefit from access to an attractive labor market without losing control over their own projects.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 38,953k against DKK 25,671k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 120,535k.

In the challenging year 2023 marked by geopolitical instability near 7N's principal markets, elevated interest rates, intensifying inflation and the looming threat of a market slowdown, 7N achieved robust growth in 2023 driven by the core strategic markets Denmark and Poland continuing the strong performance from previous years.

Revenue came to DKK 1,515 million and EBIT was DKK 58.3 million. The revenue was slightly below our expectation for 2023 of a DKK 1,525-1,600 million revenue while EBIT was slightly above the expected DKK 53-57 million range.

Our team of 1,711 consultants (1,671 in 2022) actively contributed with their expertise to assist more than 200 clients.

Outlook

The group expect reported revenue in 2024 of DKK 1,515 million to DKK 1,600 million, corresponding to an organic growth rate of 0% - +5.5%, driven by the continued market slowdown experienced in the second half of 2023 and excluding revenue from potential acquisitions.

Adjusted EBITDA is expected in the range of DKK 65 million to DKK 80 million and EBIT is expected to amount to DKK 50 million to DKK 65 million.

Our estimates for 2024 are primarily based on past experience, existing order backlog, and current market expectations. Such estimates are dependent on a wide range of factors some of which are partially within our control and some of which are outside of our sphere of influence. Assumptions that are outside of our control include, among other things, stable macroeconomic conditions, no changes in customers' IT spending, no increased constrains in finding new consultants, no change in industry or market trends, and abnormal disruptions preventing 7N from delivering its solutions to clients. The unprecedented macroeconomic and geopolitical uncertainty in Europe and globally entails increased uncertainty. We assume no loss of major clients and no loss of substantial work from existing clients.

Financial risks

Credit risks

The group's credit risks consist of the risk of losses on trade receivables derived from a client failing to meet the contractual obligations. The risk of outstanding receivables can have an economic impact on the financial statements.

The credit risk of 7N is relatively distributed, as our client base, in general, is large solid organizations.

Furthermore, the freelance consultants are contractually obliged to cover their part of a credit loss that the Group may suffer. The Group has a sound diversification of clients, both in terms of geography and sectors.

Subsequent events

No important events have occurred after the end of the financial year.

Corporate social responsibility

Business model

We Simplify Complexity

As part of our 2025 strategy, we have had an intensified focus on optimizing our core business through 2022 and 2023, which has led to continuous improvements in our internal ways of working, reinforced system support, and a constant ambition to deliver value to consultants and clients.

7N's go-to-market approach is now structured into industry verticals spanning across all our core markets. This configuration brings us closer to clients' needs while offering a wealth of different opportunities for our consultants in a manner that is both professional and efficient. Meanwhile, we have enhanced our service catalogue, which presents the delivery models we believe will lead to stronger collaborations and results going forward.

The introduction of new ways of working does not change that we are still an IT freelance company with a standardized recruitment process. The process is still enabling us to deliver a smooth and continuously high standard globally. Once vetted, our sales agents are always aiming for the perfect match of consultant and client, knowing the needs and expectations of both.

Our Promise

By solely engaging the top 3% of IT consultants, our clients can expect higher quality work from us, given that it is executed by individuals with in-depth knowledge and a proven track record. Additionally, this approach minimizes the risk of errors that can occur with less experienced staff. 7N consultants excel in risk assessment and management, ensuring smoother project execution.

For consultants, we guarantee a personal agent always working in their best interest. Our purpose is to support them in getting the work life that is right for them.

We understand our clients' specific needs and goals across the industries we specialize in. This enables us to advise on which delivery model will ensure they reach the best result with their IT projects.

Our offerings span from 360° Sourcing, where we source and place individuals or teams of IT experts either onshore, nearshore, or offshore, to 7N Solutions, a range of bespoke solutions, where we take on end-to-end responsibility, and finally 7N Academy, which is a catalogue of expert-led training programs.

Principal risks

7N operates in a continually changing and volatile business environment and is exposed to a variety of risks. These risks may threaten our ability to generate a competitive return to our owners and deliver the aspirations of our strategy.

7N’s risk and compliance management aims to effectively identify, assess, and reduce risks and uncertainties, mitigate adverse internal and external impacts, capture business opportunities to maximize value creation, and ensure compliant business conduct.

Our focus is on external risks that may threaten the realization of our strategy, and we also address risks inherent in the company’s business processes.

Our streamlined organizational structure enables swift management involvement and timely resolution of issues that could significantly affect the Group’s financial and strategic objectives.

The Board of Directors has the overall responsibility for overseeing risk and for maintaining risk and compliance management as well as an internal control system. The Board of Directors regards it as essential that the risk exposure is thoroughly assessed, monitored, and controlled on an ongoing basis, as well as long-term trends and challenges facing the Group.

The most significant risks are regularly reviewed and assessed by the Executive Board and the Board of Directors, who are also responsible for reviewing the effectiveness of the risk and compliance management and internal control processes throughout the year.

7N is mitigating many of the risks through our inherently flexible business model.

Risk identification

7N is susceptible to risks arising from technological advancements, evolving client requirements, global economic changes, geopolitical challenges, and recruitment limitations. We employ various methods to identify risks, including monitoring regulatory developments, investigating alleged misconduct reports, conducting compliance training, performing internal compliance reviews, and mapping process risks.

Environmental matters

As an IT consulting company primarily deploying manpower at clients’ premises with clients’ hardware, our environmental footprint is very limited, primarily deriving from our office locations and transport of our employees and consultants leading to CO2e emissions. Nonetheless, we strive to reduce our impact on the climate and the environment.

Our biggest contribution to 7N’s environmental footprint may be through our client engagements. That is why we are conducting networking events for consultants with a special focus on sustainability in IT projects covering topics such as the digitalization of ESG data, sustainable agile projects, and green project management.

Our CO2e emissions disclosure is based on the Green House Gas (GHG) protocol.

Our environmental initiatives focus on enhancing waste recycling and minimizing greenhouse gas emissions during transportation. In 2023, our CO_2e emissions totalled 256 tons, representing an 11% increase compared to the previous year. Our energy consumption has been reduced to 1,764 kWh per full-time equivalent (FTE - average number of employees per year including contractors in Poland that are not consultants) corresponding to a 30% decrease.

The rise in CO_2e (scope 1) emissions is attributed to the expanded use of company cars, replacing employees' private vehicles. Conversely, the reduction in CO_2e (scope 2) emissions and energy consumption results primarily from reducing our office locations in India following the completion of a larger project.

Compared to 2019, we have achieved a 9% reduction in CO_2e emissions and a corresponding decrease in energy consumption. Going forward, we remain committed to further reducing energy consumption wherever feasible. Additionally, we prioritize waste sorting to maximize recycling and minimize landfill waste.

In 2024, we will update our company car policy and gradually transition all new company vehicles to electric models.

In 2024, we will work on getting better and more accurate measurements of our emissions.

We have donated to the Danish Nature Fund to make a positive contribution and to offset our climate impact through the Fund's sustainable nature and forestry projects.

Social and employee matters

At 7N, we strongly uphold the belief that our employees serve as the cornerstone of our organization. Their dedication, expertise, and innovative thinking drive our success. We recognize that by investing in their professional growth and well-being, we are not only enhancing their individual careers but also contributing to the sustainable and responsible growth of our organization.

In 2023, we conducted our annual employee satisfaction. The Net Promoter Score (eNPS) for 2023 reached 53 points. (2022: 69 points) This score, falling within the -100 to 100 scale, is considered high, although showing a decrease of 16 points from the previous year. Throughout the year, we implemented various initiatives based on the survey's recommendations. In the area of internal communication, we concentrated on providing consistent updates about the company's current status through bi-monthly CEO updates, newsletters, and hosting a virtual event for all employees. Currently, we are in the process of developing a comprehensive global onboarding strategy to secure that our new employees understand the value of 7N, business model and governance.

Respect for human rights

For 7N human rights are always material and we respect internationally recognized human rights principles as formulated in the UN's Universal Declaration of Human Rights and the internationally recognized labor rights principles as specified in the International Labor Organization's core conventions.

All employees are expected to carefully consider the potential adverse impact of their decisions on human and labor rights. They are encouraged to promptly report any breaches of our standards to management or through our whistleblower system. As of 2023, there have been no reported violations of human rights within our organization.

The primary risks associated with people relate to the potential for an unhealthy working environment, including a lack of diversity tolerance, for both consultants and employees. To mitigate such risks, we actively promote our core values and code of conduct. The values and code of conduct is an important part of our onboarding materials for consultants and employees. In 2024, our work with updating and implementing new policies will continue.

Our whistleblower system provides a platform for consultants, suppliers, customers, and other business partners of 7N to use, if the need for reporting a suspicion of non-compliance with the laws or regulations applicable to 7N, non-compliance with internal policies or standards of 7N or any behaviour or incidents of concern not directly covered by such internal policies, arises. In 2023, one report regarding internal misconduct was submitted via the whistleblower system. Following an assessment by an independent law firm hosting our whistleblower facility, appropriate action was taken.

Anti-corruption and bribery matters

Our code of conduct for consultants and other suppliers clearly specify that no business partner or employee should receive or give payment, gifts, or any other form of indemnity from and to third parties that may affect or give rise to doubts about our impartiality in business decisions. This is also the case for sponsorships and donations, where we have a four eyes principle and segregation of duty. In addition, the code of conduct specifies the expected conduct of our stakeholders within the areas of human rights, labour rights, and environmental protection.

At 7N, we uphold fair competition and maintain a commitment to responsibility, ethics, and transparency in our business practices. We strictly refrain from engaging in bribery or offering improper advantages, whether they involve monetary elements such as cash payments or illegal rebates, or non-monetary aspects like inappropriate gifts, products, hospitality, meals, travel, accommodation, or any other items or services that involve the exchange of value for special consideration.

Conducting responsible business practice is of high importance to us. At 7N, we have a zero tolerance toward bribery and work against corruption in all its forms. We consistently strive to adhere with relevant laws and regulations within the geographical business areas where the 7N Group operates.

The main risk within anti-corruption and business ethics is that the freelance consultants, who are external parties engaged by 7N but typically working on the premises of clients. It is crucial to ensure that their conduct aligns with the values and business ethics upheld by 7N.

Gender composition of the management

Supreme management body

As the company is registred as a private limited company (ApS), there is no board of directors, and the supreme management is represented by the director.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	1	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

<u>Exempt from the requirement to set targets due to the supreme management body having less than three members</u>

The company's supreme management body consists of 1 member. Since the company's supreme management body has less than the statutory minimum of three members, there is no need to report on gender distribution in the Board of Directors. However, the company is not exempt from having to state the total number of people on the Board of Directors (see the table above).

<u>Accounting policies</u>

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include people with responsibility for personnel who report directly to the supreme management body.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	0	*)	*)	*)	*)

<u>Exempt from the requirement to set targets due to having less than 50 full-time employees</u>

Since the company has less than 50 full-time employees, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

It is of highest priority that everyone follows 7N's policies and instructions for the use of our IT-systems and processing of personal data. All employees and consultants are subject to strict confidentiality in their individual agreements, and are required to read our instructions for e.g., processing of personal data, data breach, and GDPR inquiries.

We prioritize data ethics and best IT practices in all our operation. Our data ethics policy provides guidelines for the collection, use and storing of data with a view to ensuring good practice and respecting the rights of individuals. Our data policies and procedures comply with the international data security standard ISO/IEC 27001.

We mainly process data about consultants, our employees and job applicants provided by the consultants, employees, and job applicants themselves, and always in accordance with applicable laws and for legitimate business purposes only.

Data is stored safely and with a clear legal basis in accordance with fixed procedures for storage, erasure, data subject access requests etc.

Data security is monitored continuously, and immediate action is taken if an attack is suspected. Any breaches of data security or leaks of personal data must be reported to the company's Executive Board, or through our whistleblower system.

We use artificial intelligence (AI) and machine learning in some of our solutions, but never in a context where such services are used for automated decision making or similar. It is reflected in our newly formulated AI Policy that all 7N employees must adhere to when using AI tools.

With our reporting on our data ethics policy, we comply with the requirements under section 99(d) of the Danish Financial Statements Act.

Income statement

Note		Group 2023 DKK '000	Group 2022 DKK '000	Parent 2023 DKK '000	Parent 2022 DKK '000
2	**Revenue**	**1,514,533**	**1,417,093**	**0**	**0**
	Other operating income	1,055	817	0	0
	Cost of sales	-1,184,223	-1,091,110	0	0
	Other external expenses	-115,208	-117,887	-2,352	-2,801
	Gross result	**216,157**	**208,913**	**-2,352**	**-2,801**
3	Staff costs	-157,638	-149,870	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**58,519**	**59,043**	**-2,352**	**-2,801**
	Amortisation and impairments losses of intangible assets	-3,104	-9,162	0	0
	Other operating expenses	-180	-12,647	0	0
	Operating profit/loss	**55,235**	**37,234**	**-2,352**	**-2,801**
	Income from equity investments in group enterprises	0	0	13,800	15,253
	Financial income	7,297	3,069	153	0
	Financial expenses	-6,311	-4,196	-58	-88
	Profit before tax	**56,221**	**36,107**	**11,543**	**12,364**
	Tax on profit for the year	-17,268	-10,436	367	517
	Profit for the year	**38,953**	**25,671**	**11,910**	**12,881**

5 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
	Acquired rights	5,766	0	0	0
6	**Total intangible assets**	**5,766**	**0**	**0**	**0**
	Leasehold improvements	3,309	1,594	0	0
	Other fixtures and fittings, tools and equipment	2,697	2,689	0	0
7	**Total property, plant and equipment**	**6,006**	**4,283**	**0**	**0**
8	Equity investments in group enterprises	0	0	347,000	348,500
8	Other investments	1,354	1,104	1,354	1,104
9	Deposits	4,355	5,528	0	0
	Total investments	**5,709**	**6,632**	**348,354**	**349,604**
	Total non-current assets	**17,481**	**10,915**	**348,354**	**349,604**
	Raw materials and consumables	819	819	819	819
	Total inventories	**819**	**819**	**819**	**819**
	Trade receivables	248,654	232,952	0	0
	Receivables from group enterprises	0	0	517	0
	Deferred tax asset	4,986	6,625	367	517
	Other receivables	7,367	8,901	845	845
	Prepayments	5,673	6,752	0	0
	Total receivables	**266,680**	**255,230**	**1,729**	**1,362**
	Other investments	9,946	0	9,946	0
	Total securities and equity investments	**9,946**	**0**	**9,946**	**0**
	Cash	**108,243**	**116,656**	**4,877**	**23,631**
	Total current assets	**385,688**	**372,705**	**17,371**	**25,812**
	Total assets	**403,169**	**383,620**	**365,725**	**375,416**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
	Share capital	125	125	125	125
	Revaluation reserve	0	0	329,681	331,181
	Foreign currency translation reserve	-961	-3,016	0	0
	Retained earnings	84,893	57,883	35,793	23,883
	Proposed dividend for the financial year	0	118	0	118
	Equity attributable to owners of the parent	**84,057**	**55,110**	**365,599**	**355,307**
10	Non-controlling interests	36,478	28,031	0	0
	Total equity	**120,535**	**83,141**	**365,599**	**355,307**
12	Other payables	6,605	13,601	0	0
	Total long-term payables	**6,605**	**13,601**	**0**	**0**
	Prepayments received from customers	11,921	11,593	0	0
	Trade payables	214,259	215,979	25	25
	Income taxes	6,886	4,761	0	0
	Other payables	42,963	54,545	101	20,084
	Total short-term payables	**276,029**	**286,878**	**126**	**20,109**
	Total payables	**282,634**	**300,479**	**126**	**20,109**
	Total equity and liabilities	**403,169**	**383,620**	**365,725**	**375,416**

13 Contingent liabilities
14 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Proposed dividend for the financial year	Non-controlling interests	Total equity
Group:							
Statement of changes in equity for 01.01.23 - 31.12.23							
Balance as at 01.01.23	125	0	-3,016	57,883	118	28,031	83,141
Foreign currency translation adjustment of foreign enterprises	0	0	2,055	0	0	1,499	3,554
Sale of treasury shares	0	0	0	1,307	0	953	2,260
Dividend from treasury shares	0	0	0	451	0	0	451
Dividend paid	0	0	0	0	-118	-10,430	-10,548
Other changes in equity	0	0	0	2,724	0	0	2,724
Net profit/loss for the year	0	0	0	22,528	0	16,425	38,953
Balance as at 31.12.23	125	0	-961	84,893	0	36,478	120,535
Parent:							
Statement of changes in equity for 01.01.23 - 31.12.23							
Balance as at 01.01.23	125	331,181	0	23,883	118	0	355,307
Revaluations during the year	0	-1,500	0	0	0	0	-1,500
Dividend paid	0	0	0	0	-118	0	-118
Net profit/loss for the year	0	0	0	11,910	0	0	11,910
Balance as at 31.12.23	125	329,681	0	35,793	0	0	365,599

Consolidated cash flow statement

Note		Group 2023 DKK '000	Group 2022 DKK '000
	Profit for the year	**38,953**	**25,671**
15	Adjustments	19,289	21,068
	Change in working capital:		
	Receivables	-11,917	1,592
	Trade payables	-1,720	19,351
	Other payables relating to operating activities	-11,253	16,401
	Cash flows from operating activities before net financials	**33,352**	**84,083**
	Interest income and similar income received	7,297	3,069
	Interest expenses and similar expenses paid	-4,052	-4,194
	Income tax paid	-13,504	-14,756
	Cash flows from operating activities	**23,093**	**68,202**
	Purchase of intangible assets	-2,873	0
	Purchase of property, plant and equipment	-5,140	-1,811
	Sale of property, plant and equipment	1,536	1,706
	Purchase of securities and equity investments	-10,196	0
	Dividend recieved	0	5,109
	Cash flows from investing activities	**-16,673**	**5,004**
	Sale of treasury shares	2,260	0
	Dividend paid	-10,097	-31,479
	Repayment of lease commitments	0	-7,327
	Repayment of other long-term payables	-6,996	0
	Cash flows from financing activities	**-14,833**	**-38,806**
	Total cash flows for the year	**-8,413**	**34,400**
	Cash, beginning of year	116,656	82,259
	Cash, end of year	**108,243**	**116,659**
	Cash, end of year, comprises:		
	Cash	108,243	116,659
	Total	**108,243**	**116,659**

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

		Group		Parent	
Special items:	Recognised in the income statement in:	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Omkostninger til IPO forberedelse	Andre driftsomkostninger	0	12,490	0	0
Total		0	12,490	0	0

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

2. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

IT konsulentydelser	1,028,083	1,017,681	0	0
Outsourcing	486,450	399,412	0	0
Total	1,514,533	1,417,093	0	0

Revenue comprises the following geographical markets:

Danmark	861,688	816,718	0	0
Polen	529,401	428,404	0	0
Øvrige lande	123,444	171,971	0	0
Total	1,514,533	1,417,093	0	0

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

3. Staff costs

Wages and salaries	145,027	136,271	0	0
Pensions	9,429	8,710	0	0
Other social security costs	3,182	4,889	0	0
Total	157,638	149,870	0	0
Average number of employees during the year	303	295	0	0

4. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	1,357	1,217	28	28
Other assurance engagements	26	20	0	0
Tax advice	341	53	0	0
Other services	169	6,021	0	0
Total	1,893	7,311	28	28

5. Proposed appropriation account

Extraordinary dividend for the financial year	0	20,000	0	20,000
Proposed dividend for the financial year	0	118	0	118
Non-controlling interests	16,425	6,583	0	0
Retained earnings	22,528	-1,030	11,910	-7,237
Total	38,953	25,671	11,910	12,881

6. Intangible assets

Figures in DKK '000	Acquired rights
Group:	
Additions during the year	5,766
Cost as at 31.12.23	5,766
Carrying amount as at 31.12.23	5,766

7. Property, plant and equipment

Figures in DKK '000	Leasehold improvements	Other fixtures and fittings, tools and equipment
Group:		
Cost as at 01.01.23	7,062	13,398
Foreign currency translation adjustment of foreign enterprises	318	392
Additions during the year	3,132	1,704
Disposals during the year	0	-1,239
Cost as at 31.12.23	10,512	14,255
Depreciation and impairment losses as at 01.01.23	-5,468	-10,898
Foreign currency translation adjustment of foreign enterprises	-310	-361
Depreciation during the year	-1,425	-1,479
Reversal of depreciation of and impairment losses on disposed assets	0	1,180
Depreciation and impairment losses as at 31.12.23	-7,203	-11,558
Carrying amount as at 31.12.23	3,309	2,697

8. Investments

Figures in DKK '000	Equity investments in group enterprises	Other investments
Group:		
Cost as at 01.01.23	0	1,641
Additions during the year	0	250
Cost as at 31.12.23	0	1,891
Depreciation and impairment losses as at 01.01.23	0	-537
Depreciation and impairment losses as at 31.12.23	0	-537
Carrying amount as at 31.12.23	0	1,354
Parent:		
Cost as at 01.01.23	17,320	1,641
Additions during the year	0	250
Cost as at 31.12.23	17,320	1,891
Revaluations as at 01.01.23	331,180	0
Reversal of revaluations in respect of previous years	-1,500	0
Revaluations as at 31.12.23	329,680	0
Depreciation and impairment losses as at 01.01.23	0	-537
Depreciation and impairment losses as at 31.12.23	0	-537
Carrying amount as at 31.12.23	347,000	1,354
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.23	17,320	0

8. Investments - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
7N A/S, København	58%
7N Holding II ApS, Gentofte	51%
7N Holding III ApS, Gentofte	56%
7N Sp. z.o.o, Polen	58%
7N CIM Sp. z.o.o, Polen	58%
7N IT Consulting AB, Sverige	58%
7N Finland OY, Finland	58%
7N Norge AS, Norge	58%
7N USA Inc., USA	58%
7N Schweiz AG, Schweiz	58%
7N Germany GmbH, Tyskland	58%
Seven N Consulting Pvt. Ltd., Indien	58%
7N Poland, Branch of 7N A/S, Polen	58%

The parent owns 34% of 7N A/S, but holds 58% of the voting rights through indirect ownership via 7N Holding II ApS and 7N Holding III ApS. Consequently, the parent exercises control of the company, and 7N A/S is therefore classified as a subsidiary.

9. Other non-current financial assets

Figures in DKK '000	Deposits
Group:	
Cost as at 01.01.23	5,528
Disposals during the year	-1,173
Cost as at 31.12.23	4,355
Carrying amount as at 31.12.23	4,355

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

10. Non-controlling interests

	Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
Non-controlling interests, beginning of year	28,031	32,953	0	0
Foreign currency translation adjustment of foreign enterprises	1,499	-414	0	0
Sale of treasury shares	953	0	0	0
Dividend paid	-10,430	-11,091	0	0
Net profit/loss for the year (distribution of net profit)	16,425	6,583	0	0
Total	36,478	28,031	0	0

11. Deferred tax

	Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
Provisions for deferred tax as at 01.01.23	6,625	3,107	367	517
Deferred tax recognised in the income statement	-1,639	3,518	0	0
Provisions for deferred tax as at 31.12.23	4,986	6,625	367	517

12. Long-term payables

Figures in DKK '000	Outstanding debt after 5 years	Total payables at 31.12.23
Group:		
Other payables	6,605	6,605
Total	6,605	6,605

13. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of up to 58 months and total lease payments of DKK 29.371k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

14. Related parties

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

15. Adjustments for the cash flow statement

	Group 2023 DKK '000	Group 2022 DKK '000
Amortisation and impairments losses of intangible assets	3,104	9,162
Financial income	-7,297	-3,069
Financial expenses	6,311	4,197
Tax on profit or loss for the year	17,268	10,436
Other adjustments	-97	342
Total	19,289	21,068

16. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

16. Accounting policies - continued -

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

16. Accounting policies - continued -

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

16. Accounting policies - continued -

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Acquired rights	3	0
Leasehold improvements	3-5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group entreprises and associates

Income from equity investments in equity investments in subsidiaries and associates comprises gains and losses on the sale of equity investments.

Income from other investments and receivables that are fixed assets

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

16. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies, gains and losses on other securities and equity investments etc. are recognised in other net financials.

Dividends from other equity investments are recognised as income in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the ‘Amortisation and impairment losses’ section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

16. Accounting policies - continued -

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

On initial recognition, equity investments in subsidiaries are measured at cost in the balance sheet of the parent. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments in the balance sheet of the parent, while transaction costs are recognised in the income statement in the consolidated financial statements.

Subsequently, equity investments in subsidiaries are measured at fair value in the balance sheet of the parent. Revaluations and reversals thereof are recognised directly in equity under revaluation reserve. Fair value is determined based on a discounted cash flow (DCF) model based on five-year budgets and a terminal value.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

16. Accounting policies - continued -

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

16. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost. Other equity investments classified as current assets are written down to the lower of cost and net realisable value.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

16. Accounting policies - continued -

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.