
Nordic Knowledge Partners ApS

Holmevej 15, DK-2950 Vedbæk

Annual Report for 1 January - 31 December 2020

CVR No 36 42 81 98

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
12/7 2021

Andreas von Buchwald
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nordic Knowledge Partners ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 12 July 2021

Executive Board

Andreas von Buchwald
Executive Officer

Board of Directors

Søren Friis
Chairman

Rasmus Forup Helmich

Andreas von Buchwald

Casper Bondo Henningsen

Christian von Buchwald

Practitioner's Statement on Compilation of Financial Statements

To the Management of Nordic Knowledge Partners ApS

We have compiled the Financial Statements of Nordic Knowledge Partners ApS for the financial year 1 January - 31 December 2020 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and IESBA's Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 12 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

statsautoriseret revisor

mne42824

Company Information

The Company

Nordic Knowledge Partners ApS
Holmevej 15
DK-2950 Vedbæk

CVR No: 36 42 81 98

Financial period: 1 January - 31 December

Municipality of reg. office: Rudersdal

Board of Directors

Søren Friis, Chairman
Rasmus Forup Helmich
Andreas von Buchwald
Casper Bondo Henningsen
Christian von Buchwald

Executive Board

Andreas von Buchwald

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's key activities are information services.

Development in the year

2020 was a challenging year for the Expert Network Service ("ENS") activities of Nordic Knowledge Partners' ("NKP") due to the negative impact of Covid-19, especially in Q2-2020 and Q3-2020 where demand for expert interviews among customers decreased significantly as a result of the Pandemic, and collaboration among team members adjusting to the new situation was challenging. At the same time, the ongoing pricing pressure and increased competition in the ENS industry accelerated further during the Pandemic.

On the other hand the firm experienced strong growth in subscription sales for the M&A Insights platform driven by both existing customers renewing and expanding their usage and a high number of new blue-chip customers successfully onboarded. The M&A Insights platform is fast becoming the preferred data and intelligence source for investment teams and M&A professionals operating in the Nordics, and the growth in subscription sales and annual recurring revenue ("ARR") has accelerated further in 2021, the outlook being very positive. During 2020 we have invested heavily in developing the software and IT-infrastructure supporting the M&A Insights platform as well as in data collection. All development expenses have been booked as costs and is not capitalized, and we have financed this out of the operating cash flow without new external funding.

Given the strong momentum, high growth and customer satisfaction, and attractive outlook for NKP's M&A Insights platform, (a 100% subscription-based intelligence as a service "IaaS" solution) the board and management has in 2021 made a strategic decision to focus exclusively on this part of the business with effect from 2021.

In light of the circumstances we find the 2020 results for Nordic Knowledge Partners satisfactory. The expectations for 2021 include a continued high growth in recurring revenue from the sale of M&A Insights subscriptions and a return to profitability, despite the transition from a primarily project-based business to a business model based exclusively on subscription income. Cash flow generation is strong as subscriptions are typically for a period of 12 or 6 months and paid in advance. It should be noted that subscription income is recognized as revenue drip-wise across the full subscription period and not at the time of sale.

Targets and expectations for the year ahead

The Company expects a high growth in subscription sales and a positive net result for 2021.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		3.735.707	3.891.898
Staff expenses	1	-4.112.455	-3.377.152
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-6.979	0
Profit/loss before financial income and expenses		-383.727	514.746
Financial expenses		-10.399	-9.455
Profit/loss before tax		-394.126	505.291
Tax on profit/loss for the year	2	83.526	581.836
Net profit/loss for the year		-310.600	1.087.127

Distribution of profit

Proposed distribution of profit

Retained earnings		-310.600	1.087.127
		-310.600	1.087.127

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		37.117	0
Property, plant and equipment		37.117	0
Fixed assets		37.117	0
Trade receivables		1.070.590	313.634
Other receivables		97.687	69.344
Deferred tax asset		715.362	631.836
Prepayments		13.914	0
Receivables		1.897.553	1.014.814
Cash at bank and in hand		1.203.454	712.234
Currents assets		3.101.007	1.727.048
Assets		3.138.124	1.727.048

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		101.207	101.207
Retained earnings		654.155	964.755
Equity		755.362	1.065.962
Other payables		0	73.628
Long-term debt	3	0	73.628
Prepayments received from customers		1.064.288	35.625
Trade payables		224.919	259.089
Other payables	3	1.093.555	292.744
Short-term debt		2.382.762	587.458
Debt		2.382.762	661.086
Liabilities and equity		3.138.124	1.727.048
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January 2020	101.207	964.755	1.065.962
Net profit/loss for the year	0	-310.600	-310.600
Equity at 31 December 2020	101.207	654.155	755.362

Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	3.953.890	3.226.154
Other social security expenses	65.528	54.505
Other staff expenses	93.037	96.493
	<u>4.112.455</u>	<u>3.377.152</u>
Average number of employees	<u>8</u>	<u>7</u>
2 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-83.526	-581.836
	<u>-83.526</u>	<u>-581.836</u>
3 Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Other payables		
Between 1 and 5 years	0	73.628
Long-term part	0	73.628
Other short-term payables	1.093.555	292.744
	<u>1.093.555</u>	<u>366.372</u>

Notes to the Financial Statements

4 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has entered into a lease with a notice period 11 months, of which the rental obligation during the period amounts to DKK 115.847.

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Nordic Knowledge Partners ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

5 Accounting Policies (continued)

Income Statement

Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

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

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

5 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

5 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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