Conscia A/S

Kirkebjerg Parkvej, 9, 2., DK-2605 Brøndby

Annual Report for 1 October 2019 - 30 September 2020

CVR No 36 45 09 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24/2 2021

Martin Adrian Møller
Chair of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Conscia A/S for the financial year 1 October 2019 - 30 September 2020.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 September 2020 of the Company and the Group and of the results of the Company and Group operations for 2019/20.

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.

Brøndby, 24 February 2021

Executive Board

Claus Thorsgaard CEO	Martin Adrian Møller CFO

Board of Directors

Morten Hübbe Chairman	Peter Thorninger	Jess Tropp
Fredrik Näslund	Emil André Schacher	

Independent Auditor's Report

To the Shareholder of Conscia A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2020 and of the results of the Group's and the Parent Company's operations for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Conscia A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

Hellerup, 24 February 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen statsautoriseret revisor mne28705	Thomas Baunkjær Andersen statsautoriseret revisor mne35483

Company Information

The Company	Conscia A/S Kirkebjerg Parkvej, 9, 2. DK-2605 Brøndby CVR No: 36 45 09 83 Financial period: 1 October - 30 September Incorporated: 2 December 2014 Financial year: 6th financial year Municipality of reg. office: Brøndby
Board of Directors	Morten Hübbe, Chairman Peter Thorninger Jess Tropp Fredrik Näslund Emil André Schacher
Executive Board	Claus Thorsgaard Martin Adrian Møller
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,291,915	1,949,758	1,545,200	1,056,821	757,061
Gross profit/loss	693,728	520,443	462,818	294,315	201,437
EBITDA	258,003	185,203	180,965	119,208	80,834
EBITDA normalized*	266,365	205,303	185,896	119,208	81,538
Normalized cash EBITDA**	487,589	418,571	0	0	0
EBITA	219,515	156,811	176,938	115,181	80,711
Profit/loss before financial income and expenses	134,434	89,807	123,606	91,626	65,839
Net financials	-84,226	-65,909	-24,333	-5,030	1,320
Net profit/loss for the year	18,763	-3,955	62,288	64,295	49,117
Balance sheet					
Balance sheet total	2,247,485	1,890,403	1,474,816	1,368,078	435,966
Equity	371,245	290,626	459,263	300,560	238,187
Investment in property, plant and equipment	-29,353	-78,194	-1,441	-2,166	-3,875
Number of employees	679	501	341	201	120

Financial Highlights

	Group				
	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	30.3%	26.7%	30.0%	27.8%	26.6%
EBITDA ratio	11.3%	9.5%	11.7%	11.3%	10.7%
EBITDA normalized ratio	11.6%	10.5%	12.0%	11.3%	10.8%
Normalized cash EBITDA ratio	21.3%	21.5%	0.0%	0.0%	0.0%
EBITA ratio	9.6%	8.0%	11.5%	10.9%	10.7%
Profit margin	5.9%	4.6%	8.0%	8.7%	8.7%
Return on assets	6.0%	4.8%	8.4%	6.7%	15.1%
Solvency ratio	16.5%	15.4%	31.1%	22.0%	54.6%
Return on equity	5.7%	-1.1%	16.4%	23.9%	19.0%

For definitions, see under accounting policies.

In 2018/19 the leasing and revenue recognition accounting policies were amended. The comparative figures have not been adjusted for the change of policy for the years 2015/16 - 2017/18. Reference is made to the accounting policies.

* Normalized EBITDA is adjusted for non-recurring costs.

** Normalized cash EBITDA is including total deferred income relating to IFRS 15.

Management's Review

The significant activities of the group

Conscia is an ICT service provider that specializes in cyber security, IT infrastructure solutions, and managed services. As a trusted advisor Conscia strives to support the customers 'mission-critical IT infrastructure' across the entire value chain from design, implementation, operation and optimization.

The ambition is supported by profound technical competencies and insight, which is displayed through the unique, proprietary customer portal – Conscia Connect. This also forms the basis for a superior customer experience leading to some of the highest customer satisfaction scores in the industry. Another strategic goal for Conscia is to be the most attractive workplace for talented IT infrastructure specialists in Europe.

Currently Conscia Group has more than 800 employees across six countries (Denmark, Sweden, Norway, Germany, Netherlands, and Slovenia), with an annual turnover of 2.292 MDKK (308 MEUR).

The most significant activities of the parent company

The main activities of Conscia A/S consist of owning Conscia and capital shares of the affiliated companies.

Strategic initiatives and financial matters

In the financial year 2018/2019, Conscia launched a new groupwide strategy called 'Network of Knowledge'. The strategy execution was a natural extension of our historical development and proven ability to increase our role as a trusted partner for existing customers, win new 'best fit' customers and push selected Cisco innovation in the market. Our strategy contains four strategic initiatives:

•Implementation of the Conscia business model across all countries to drive customer full potential
•Continue leadership within selected Cisco innovations, e.g. software automation and intelligent networks
•Drive and sustain a leading position within Cisco security and expansion of core security services
•Expansion with managed network and security services and cloud solutions

To support the strategy, Conscia conducted a number of initiatives:

The company continued to execute on the groupwide strategy called 'Network of Knowledge' throughout 2019/20 with the following grand objective:

Enable our customers to fully benefit from global innovations in infrastructure and digitalization while protecting data and system integretiy from them and their customers

Management's Review

The ambition is i) to be the provider of choice to and build and run our customers mission critical IT infrastructure, ii) be the trusted advisor and long-term partner for our customers on cloud/IaaS solutions and cybersecurity, iii) combine customer success efforts with proprietary tools to offer superior customer value and satisfaction and iv) and be the most attractive and admired place to work for talented specialist/ professionals with a passion for the connected world – cloud, network, security and modern IT infrastructure.

The strategy execution is supported by a value creation plan containing four go-to-market streams:

-Drive adoption of Conscia Connect as the digital interface to Conscia for compliance and full life-cycle management of their IT infrastructure for all key customers

-Use thought leadership within selected technologies (e.g. hyper-converged infrastructures and softwared defined networks) from our key vendors to deliver tangible business outcomer to existing and new customers

-Build full value chain security offerings and solidify and cybersecurity brand position

-Continue to expand and grow managed services (network, security and cloud)

Conscia's performance was also recognized by Cisco, who gave us several awards; e.g. the EMEAR North Partner of the Year (best partner across the Nordics, Benelux, and the Baltics) within Enterprise Networking & Cloud and Service Provider plus a number of awards at the individual country level: Private Sector Partner of the Year in Norway, Public Sector Partner of the Year in the Netherlands, Transformation & Innovation Partner of the Year in Germany. Conscia was also the first partner worldwide to achieve the Cisco Customer Experience Advanced Specialization Partner certification.

During the financial year, Conscia acquired xevIT in Germany and Secoa in Sweden, which will contribute to further growth in the coming financial year. After the balance sheet date, Conscia has acquired three more companies, Credocom in Denmark, NetIT in Denmark and Damecon in the Netherlands, and expects to acquire at least one additional company during 20/21 in one of Conscia's home markets.

People
-In January, an 'All Managers Meeting' was conducted in Copenhagen with partipation of ~100 people managers from all six operating countries
-In May, a 'Tech All Hands Meeting' was completed with participation of ~250 engineers with training activities and a focus on technical best practice sharing

ONE Platform
-A continued effort on driving digitalization and optimizing one groupwide IT platform to drive scale and efficiencies

Management's Review

Financial review 2019/20

In the financial year 2019/20 (1 October 2019 – 30 September 2020) the Conscia Group revenue reached DKK 2,292 million, and the normalized EBITDA for 2019/2020 reached DKK 258 million. The normalized cash EBITDA ended at DKK 488 million.

The consequences of Covid-19, where many governments around the world decided to "shut down the countries", were in connection with the presentation of the company's annual report for the financial year 2018/19 at an early stage where there was a high degree of unpredictability of how Covid -19 would affect the company's financial performance in the financial year 2019/20. Due to these circumstances, management was unable to communicate reliable expectations the groups activity level and result for the current financial year in the annual report for the financial year 2018/19.

Management considers the results for the year satisfactory compared to the financial year 2018/19.

EBITDA for the parent company for 2020 shows a loss of DKK 19,670 thousand, which is accordance with expectations. Management considers the results satisfactory.

Management refers to the accounting policies in this year's Financial Statements for information related to material errors relating to previous years.

Corporate Governance

By virtue of its Private Equity ownership, Conscia is subject to "Guidelines for responsible ownership and good corporate governance" as defined by the Danish Venture Capital and Private Equity Association. The guidelines are available at DVCA's website, www.dvca.dk.

The organization of management is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act and the company's articles of association. I.e. Conscia has based its corporate governance efforts on a two-tier system where the board of directors and the executive management have two distinct roles. The executive management undertakes the operational management of the company, whereas the board of directors determines the overall company strategy and acts as an active sparring partner to the executive management of the company. In addition, the board of directors use committees for special tasks. Thus, a chairman committee and an audit committee have been set up.

The board of directors consists of 3-5 members (please see below for a more detailed description of the board and executive management). Board meetings and audit committee meetings are held four to five times a year. Additionally, chairman committee meetings with the CEO of the company are held 8-10 times per year.

The board of directors and executive management incl. other managerial positions

Chairman of the Board, Morten Hübbe is also CEO of Tryg A/S since 2011 and member for SimCorp A/S' Board of Directors since 2018 and Vice-chairman since 2019. Chairman of SimCorp A/S' Nomination and Remuneration Committee since 2019 and Chairman of Siteimprove since 2020.

Management's Review

Deputy Chairman, Fredrik Näslund is Partner in Nordic Capital Investment Advisory AB. In addition, Fredrik Näslund is board member of several other Nordic Capital companies - ArisGlobal, Board International, Itiviti, Signicat Sunrise Medical Trustly and Vizrt.

Board member, Jess Tropp is Director, Nordic Capital Investment Advisory A/S and board member in Unisport. Also, chairman of the Audit Committee in Conscia.

Board member, Peter Thorninger is Operational Principal, Nordic Capital Investment Advisory A/S and board member in Trustly.

Board member, Emil Schacher is CEO and president of the board at BCT Consulting GmbH.

CEO Claus Thorsgaard is Chairman of the Board in Targit A/S and holds board positions within the associated Conscia companies.

CFO Martin Møller holds no other positions than board positions within the associated Conscia companies.

Social responsibility

In accordance with section 99 a of the Danish Financial Statements Act, we refer to Capnor Connery HoldCo A/S who has prepared a consolidated statement covering policies and activities across the group.

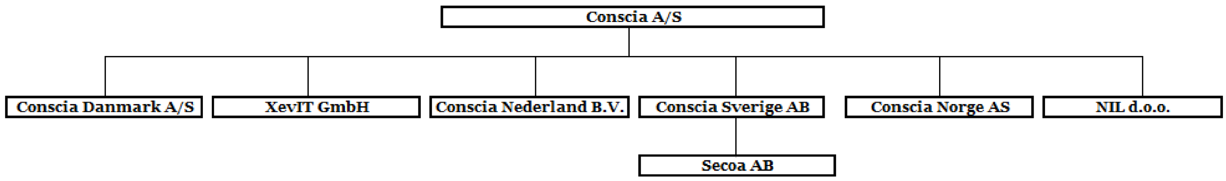
Gender composition of Board and executive management

The board of directors consists of 3 people, all men, and the management team consists of 12 people with a gender split of 25% women and 75% men represented in the team. It is Conscia A/S' aim to reflect a larger gender diversity in both the board and executive management over time by increasing the number of women in leadership positions. Hence, the company will continue to work diligently on having both male and female candidates in the recruiting process for management and board positions. The goal is to have at least 1 woman in the top management team (board or executive management) by 2023, out of which at least one woman should be elected for the board of directors. The goal for the board was not achieved in 2019, as there have been no changes to the board composition.

Conscia A/S does not have any employees and is hence not obligated to report further on gender composition of management.

Management's Review

Organizational structure



All subsidiaries are own 100% - except for Conscia Sverige AB, where Conscia A/S owns 63 %.

As of 30th September 2020, Conscia has 679 employees, which is an increase of 36 % (178 employees) since September 2019. 544 employees (80%) are located outside Denmark.

Share based remuneration

In order to encourage common goals between key employees and the company's strategy, an investment program for management, external board members and a number of employees was established in 2019. Please see note two for further information.

Risks

Conscia Group is exposed to uncertainties and risk factors, which may affect some or all of the company's activities.

Contractual risks

As Conscia's business model is founded upon extensive partnerships, it is essential to secure that vendor contracts or other agreements do not impose abnormal obligations on Conscia, nor are drafted in an unbalanced manner with regards to the protection of Conscia's business. Therefore, before entering any agreements, suppliers are thoroughly evaluated with regards to financial solidity, delivery quality, timeliness as well as overall reliability, according to Group policies.

Employee risks

Conscia acknowledges that the employees are the most important asset of the company. As Conscia's business model is founded upon IT consultancy and extensive partnerships, having the right competencies with the adequate experience is vital. Therefore, it is important that Conscia continues to attract, retain and develop skilled employees and as such Conscia has initiated several activities to improve the employer branding, employee experience and not least constant development of skills and competencies in the organisation. Failure to do so will negatively impact the continued development of the company.

Management’s Review

Currency risks

Conscia is exposed to currency fluctuations in the countries where it has its main activities. The risk relates primarily to the rise/fall in USD, as almost all hardware and software are purchased in USD. It is a Group policy to seek to offset exchange-rate risks by matching revenue, as well as other positive cash flow, against costs in the same currencies. If this is not possible, the currency exchange risk is hedged via foreign exchange contracts, no speculative currency positions are taken.

Exchange rate fluctuations related to the translation of the results and intercompany balance of foreign subsidiaries at the balance sheet date constitute a risk. The company does not hedge this type of risk. Consequently, the Group may be affected in the short term by exchange rate fluctuations related to the translation of the results and intercompany balance of subsidiaries into DKK.

Due to Conscia´s customer composition, which primarily consists of public as well as large and robust companies, the credit risk is assessed as minimal – and monitored daily by the Finance department, according to Group policies.

IT risks

Conscia uses IT to a significant extent and is vulnerable to interruptions of operation and breaches of the established security. Conscia has a large number of IT security specialists that assist our clients, but also supports the improvement of own IT security to ensure that a high level of security is always maintained. Additionally, an internal IT Information Security Policy secures the employees are knowledgeable with best possible way of minimizing the risk of exposing or loosing data, in case of accidents, theft, intentional and unintentional data leaks or direct attacks. All employees across the Group has been trained in the Security Policy, and proper adoption has been ensured.

The Audit Committee assists the board of directors with reviews of financial reporting processes, review of internal control systems including risk management and the on-going dialogue with external auditor.

The Audit Committee assists the board of directors with reviews of financial reporting processes, review of internal control systems including risk management and the on-going dialogue with external auditor.

Research and development activities

Conscia does not carry out research but is continuously developing internal systems and tool to support its customers' business.

Intellectual capital resources

To some extent, Conscia is dependent on attracting and retaining employees who are able to continue the development of the Company’s operations. Knowledge resources that may be of particular importance for the Company and the Group's future operations relate to being at the front edge of a wide range of services.

Management's Review

Unusual events

Like all other companies, Conscia was impacted by the Covid-19 pandemic. Mid-March, the Company worked out a Covid-19 response strategy around four priorities:

1)Making people feel safe and reduce concerns
2)Ensuring steady operations and close contact with the customers
3)Assessessment of business impact
4)Taking measures based on various scenarios

Due to execution of a comprehensive mitigation plan, and the Companye's resilient business model, the impact of Covid-19 was relative low.

The financial position at 30 September 2020 of the Company and the Group and the results of the activities of the Company and the Group for the financial year for 2019/20 have not been affected by any unusual events, theres not already mentioned in the management review.

Uncertainty relating to recognition and measurement

For a description related to uncertainty relating to recognition and measurement a reference is made to note 2 – "Critical accounting estimates and judgments".

Outlook for 2019/2020

Conscia is well positioned in an attractive market which is impacted by a number of trends, e.g. shift to hyper-converged infrastructures and software defined networks, cloud transformation, increased cybersecurity risks and cost of network failures. For 2020/2021, Conscia expects to deliver 15-25% growth in revenue and normalized EBITDA and add 50+ more employees compared with 2019/2020.

Ownership

Conscia A/S is fully owned by Capnor Connery HoldCo A/S is financed by a combination of equity and loan capital. The company's equity consists of two classes of shares. The loan capital consists of a bank loan. The level of debt is deemed to be appropriate in relation to the need for financial flexibility in Conscia A/S and its subsidiaries.

Events subsequently to the financial year

Acquisitions

After the balance date, Conscia has acquired three more companies, Credocom in Denmark, NetIT in Denmark and Damecon in the Netherlands

Income Statement 1 October - 30 September

	Note	Group		Parent company	
		2019/20	2018/19	2019/20	2018/19
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**2,291,915**	**1,949,758**	**0**	**1,683**
Other operating income		5,299	556	0	0
Expenses for raw materials and consumables		-1,480,670	-1,274,329	0	0
Other external expenses		-122,816	-155,542	-657	-20,703
Gross profit/loss		**693,728**	**520,443**	**-657**	**-19,020**
Staff expenses	2	-435,725	-335,240	-52	-9,318
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-123,569	-95,396	0	0
Profit/loss before financial income and expenses		**134,434**	**89,807**	**-709**	**-28,338**
Income from investments in subsidiaries		0	0	0	402,000
Financial income	4	1,263	9,003	1,270	5,026
Financial expenses	5	-85,489	-74,912	-21,356	-42,795
Profit/loss before tax		**50,208**	**23,898**	**-20,795**	**335,893**
Tax on profit/loss for the year	6	-31,445	-27,853	1,125	11,604
Net profit/loss for the year		**18,763**	**-3,955**	**-19,670**	**347,497**

Balance Sheet 30 September

Assets

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Customer contracts		138,409	73,769	0	0
Acquired rights		11,871	12,561	0	0
Goodwill		1,125,218	1,039,757	0	0
Intangible assets	7	**1,275,498**	**1,126,087**	**0**	**0**
Buildings		74,873	83,518	0	0
Other fixtures and fittings, tools and equipment		57,748	45,061	0	0
Equipment in progress		16,052	0	0	0
Property, plant and equipment	8	**148,673**	**128,579**	**0**	**0**
Investments in subsidiaries	9	0	0	1,100,994	858,222
Investments in associates	10	45	45	0	0
Deposits	11	3,072	2,635	0	0
Fixed asset investments		**3,117**	**2,680**	**1,100,994**	**858,222**
Fixed assets		**1,427,288**	**1,257,346**	**1,100,994**	**858,222**

Balance Sheet 30 September

Assets

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Inventories	12	**66,675**	**55,252**	**0**	**0**
Trade receivables		384,967	314,757	0	0
Contract work in progress	13	74,638	36,644	0	0
Receivables from group enterprises		0	0	0	15,299
Receivables from associates		0	2,127	0	0
Other receivables	18	38,098	37,413	42	11,166
Deferred tax	16	1,313	27,059	0	260
Corporation tax		12,572	0	0	0
Corporation tax receivable from group enterprises		0	17,426	12,900	17,426
Prepayments	14	100,969	50,700	0	0
Receivables		**612,557**	**486,126**	**12,942**	**44,151**
Cash at bank and in hand		**140,965**	**91,679**	**0**	**3,681**
Currents assets		**820,197**	**633,057**	**12,942**	**47,832**
Assets		**2,247,485**	**1,890,403**	**1,113,936**	**906,054**

Balance Sheet 30 September

Liabilities and equity

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Share capital		624	600	624	600
Share premium account		66,141	92,635	66,141	92,635
Reserve for hedging transactions		-692	2,888	0	0
Retained earnings		294,480	181,051	602,421	529,456
Equity attributable to shareholders of the Parent Company		**360,553**	**277,174**	**669,186**	**622,691**
Minority interests		10,692	13,452	0	0
Equity		**371,245**	**290,626**	**669,186**	**622,691**
Provision for deferred tax	16	16,306	19,906	0	0
Provisions		**16,306**	**19,906**	**0**	**0**
Credit institutions		305,655	307,830	0	0
Lease obligations		75,701	81,400	0	0
Payables to group enterprises		656,201	471,353	444,680	0
Provisions		2,357	1,946	0	0
Corporation tax relating to Group		4,293	20,404	0	0
Deferred income		99,267	91,844	0	0
Long-term debt	17	**1,143,474**	**974,777**	**444,680**	**0**

Balance Sheet 30 September

Liabilities and equity

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Credit institutions	17	2,224	2,204	0	0
Lease obligations	17	27,108	20,895	0	0
Prepayments received from customers		75,613	70,936	0	0
Trade payables		194,030	156,020	0	576
Payables to group enterprises	17	84,373	65,121	0	282,718
Payables to associates		100	2,815	0	0
Corporation tax		20,404	36,129	0	0
Other payables	18	190,651	129,550	70	69
Deferred income	17	121,957	121,424	0	0
Short-term debt		**716,460**	**605,094**	**70**	**283,363**
Debt		**1,859,934**	**1,579,871**	**444,750**	**283,363**
Liabilities and equity		**2,247,485**	**1,890,403**	**1,113,936**	**906,054**

Distribution of profit	15
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Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	600	92,635	2,888	217,728	313,851	13,452	327,303
Net effect of correction of material misstatements	0	0	0	-33,525	-33,525	-3,152	-36,677
Adjusted equity at 1 October	600	92,635	2,888	184,203	280,326	10,300	290,626
Capital increase	24	66,141	0	0	66,165	0	66,165
Exchange adjustments relating to foreign entities	0	0	0	-783	-783	54	-729
Fair value adjustment of hedging instruments, beginning of year	0	0	-2,888	0	-2,888	0	-2,888
Fair value adjustment of hedging instruments, end of year	0	0	-1,113	0	-1,113	0	-1,113
Tax on adjustment of hedging instruments for the year	0	0	421	0	421	0	421
Net profit/loss for the year	0	0	0	18,425	18,425	338	18,763
Transfer from share premium account	0	-92,635	0	92,635	0	0	0
Equity at 30 September	**624**	**66,141**	**-692**	**294,480**	**360,553**	**10,692**	**371,245**

Statement of Changes in Equity

Parent company

	Share capital	Share premium account	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	600	92,635	0	529,456	622,691	0	622,691
Capital increase	24	66,141	0	0	66,165	0	66,165
Net profit/loss for the year	0	0	0	-19,670	-19,670	0	-19,670
Transfer from share premium account	0	-92,635	0	92,635	0	0	0
Equity at 30 September	**624**	**66,141**	**0**	**602,421**	**669,186**	**0**	**669,186**

Notes to the Financial Statements

	Group		Parent company	
	2019/20	2018/19	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK

1 Revenue

All sale are primarily on the european market.

	Group 2019/20 TDKK	Group 2018/19 TDKK	Parent company 2019/20 TDKK	Parent company 2018/19 TDKK
Hardware, software and service	1,864,271	1,648,170	0	1,683
Own services and consultant service	427,644	301,588	0	0
	2,291,915	**1,949,758**	**0**	**1,683**

2 Staff expenses

	Group 2019/20 TDKK	Group 2018/19 TDKK	Parent company 2019/20 TDKK	Parent company 2018/19 TDKK
Wages and salaries	365,446	287,336	0	8,136
Pensions	41,480	27,357	0	633
Other social security expenses	25,130	14,940	0	13
Other staff expenses	3,669	5,607	52	536
	435,725	**335,240**	**52**	**9,318**
Average number of employees	**679**	**501**	**0**	**4**

The remuneration to Executive Board and Board of Directors is disclosed in the Financial Statements of Cpanor Connery HoldCo A/S.

In April 2019 the Capnor Connery Holdco Group introduced an incentive program for its management and key employees, under which the participants agrees to purchase shares in Capnor Connery HoldCoA/S, or its subsidiaries Capnor Connery MidCoA/S or Capnor Connery BidCoA/S. The shares aqcuired by the participants under the program comprise a combination of ordinary shares and preference shares. The preference shares have preference right to repayment of the amount invested plus dividends.

Under the program, the Group has a right, but not an obligation to repurchase all shares held by a participant if the employment is terminated. The shares may not be sold to a third party by the employees.

All shares acquired under the incentive programe are purchased by the participants at market terms. The consideration paid by the participants therefore corresponds to the fair value of the shares at the date of acquisition. Accordingly, no discount has been afforded to the participant. The employees has not received any abnormal privileges by acquiring the shares either.

The shareholder agreement remains in force and effect for 14 years or until an exit event occurs.

Notes to the Financial Statements

		Group		Parent company	
		2019/20	2018/19	2019/20	2018/19
		TDKK	TDKK	TDKK	TDKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	85,081	67,004	0	0
	Depreciation of property, plant and equipment	38,488	28,392	0	0
		123,569	**95,396**	**0**	**0**
4	**Financial income**				
	Interest received from group enterprises	0	0	702	3,747
	Other financial income	214	1,338	34	1,068
	Exchange adjustments	1,049	7,665	534	211
		1,263	**9,003**	**1,270**	**5,026**
5	**Financial expenses**				
	Interest paid to group enterprises	46,625	35,609	20,541	28,674
	Other financial expenses	27,225	28,586	815	14,083
	Exchange adjustments	11,639	10,717	0	38
		85,489	**74,912**	**21,356**	**42,795**
6	**Tax on profit/loss for the year**				
	Current tax for the year	34,179	30,265	-1,385	-11,516
	Deferred tax for the year	-1,500	-3,685	0	0
	Adjustment of tax concerning previous years	-1,494	1,184	0	0
	Adjustment of deferred tax concerning previous years	260	89	260	-88
		31,445	**27,853**	**-1,125**	**-11,604**

Notes to the Financial Statements

7 Intangible assets

Group

	Customer contracts	Acquired rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 October	78,336	23,074	1,213,990
Exchange adjustment	-621	751	-5,506
Additions through business combinations	76,566	4,487	155,174
Additions for the year	0	2,853	0
Cost at 30 September	154,281	31,165	1,363,658
Impairment losses and amortisation at 1 October	4,567	10,513	174,233
Exchange adjustment	-29	758	-1,517
Amortisation for the year	11,334	8,023	65,724
Impairment losses and amortisation at 30 September	15,872	19,294	238,440
Carrying amount at 30 September	**138,409**	**11,871**	**1,125,218**

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Buildings	Other fixtures and fittings, tools and equipment	Equipment in progress
	TDKK	TDKK	TDKK
Cost at 1 October	95,034	85,643	0
Exchange adjustment	-342	-293	-51
Additions through business combinations	1,492	8,367	16,103
Additions for the year	3,694	29,702	0
Disposals for the year	-1,994	-7,144	0
Cost at 30 September	97,884	116,275	16,052
Impairment losses and depreciation at 1 October	11,516	40,582	0
Exchange adjustment	-107	-165	0
Depreciation for the year	13,342	25,146	0
Reversal of impairment and depreciation of sold assets	-1,740	-7,036	0
Impairment losses and depreciation at 30 September	23,011	58,527	0
Carrying amount at 30 September	**74,873**	**57,748**	**16,052**
Right-of-use assets	74,873	27,268	0

Notes to the Financial Statements

9 Investments in subsidiaries

	Parent company	
	2020	2019
	TDKK	TDKK
Cost at 1 October	858,222	557,526
Additions for the year	242,772	300,696
Carrying amount at 30 September	**1,100,994**	**858,222**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Conscia Danmark A/S	Denmark, Brøndby	500	100%
Conscia Sverige AB	Sweden, Stockholm	2,998	63%
Conscia Norge AS	Norway, Oslo	16,260	100%
Conscia Nederland B.V.	Netherlands, Gouda	2,234	100%
NIL Skupina d.o.o.	Slovenia, Ljubljana	2,986	100%
xevIT GmbH	Germany, Ettlingen	213	100%
Secoa AB	Sweden, Uppsala	35	100%

10 Investments in associates

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Cost at 1 October	45	0	0	0
Additions for the year	0	45	0	0
Carrying amount at 30 September	**45**	**45**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
NIL Data Communication Middle East DMCC	United Arab Emirates, Dubai	300	26%

Notes to the Financial Statements

11 Other fixed asset investments

	Group
	Deposits
	TDKK
Cost at 1 October	2,635
Additions for the year	437
Cost at 30 September	3,072
Carrying amount at 30 September	**3,072**

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

12 Inventories

	2020	2019	2020	2019
Finished goods and goods for resale	66,675	55,252	0	0
	66,675	**55,252**	**0**	**0**

13 Contract work in progress

	2020	2019	2020	2019
Selling price of work in progress	93,913	57,164	0	0
Payments received on account	-19,275	-20,520	0	0
	74,638	**36,644**	**0**	**0**

14 Prepayments

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

15 Distribution of profit

	2020	2019	2020	2019
Extraordinary dividend paid	0	50,000	0	50,000
Minority interests	338	5,367	0	0
Retained earnings	18,425	-59,322	-19,670	297,497
	18,763	**-3,955**	**-19,670**	**347,497**

Notes to the Financial Statements

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
16 Provision for deferred tax				
Intangible fixed assets	2,084	2,418	0	0
Tangible fixed assets	-1,875	-1,957	0	0
Fixed asset investment	0	0	0	-260
Work in progress for the account og costumers	584	353	0	0
Deferred expences	539	407	0	260
Deferred tax related to IFRS 15	30,387	18,906	0	0
Deferred tax acquired other similar rights	-34,359	-14,345	0	0
Tax loss carry-forward	17,633	-12,935	0	-260
Transferred to deferred tax asset	1,313	27,059	0	260
	16,306	**19,906**	**0**	**0**

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset

Calculated tax asset	1,313	27,059	0	260
Carrying amount	**1,313**	**27,059**	**0**	**260**

The deferred tax asset is expected to be realized through expected profits within the next 3 years and include an amount of TDKK 1,313 which relates to carried-forward tax losses of Conscia Norge AS has incurred the losses over the last few years.

Notes to the Financial Statements

17 Long-term debt

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	305,655	307,830	0	0
Long-term part	305,655	307,830	0	0
Within 1 year	2,224	2,204	0	0
	307,879	**310,034**	**0**	**0**
Lease obligations				
Between 1 and 5 years	75,701	81,400	0	0
Long-term part	75,701	81,400	0	0
Within 1 year	27,108	20,895	0	0
	102,809	**102,295**	**0**	**0**
Payables to group enterprises				
Between 1 and 5 years	656,201	471,353	444,680	0
Long-term part	656,201	471,353	444,680	0
Within 1 year	84,373	65,121	0	282,718
	740,574	**536,474**	**444,680**	**282,718**
Provisions				
Between 1 and 5 years	2,357	1,946	0	0
Long-term part	2,357	1,946	0	0
	2,357	**1,946**	**0**	**0**

Notes to the Financial Statements

17 **Long-term debt** (continued)

	Group		Parent company	
	2020	2019	2019/20	2019
	TDKK	TDKK	TDKK	TDKK
Corporation tax relating to Group				
Between 1 and 5 years	4,293	20,404	0	0
Long-term part	4,293	20,404	0	0
	4,293	**20,404**	**0**	**0**
Deferred income				
Between 1 and 5 years	99,267	91,844	0	0
Long-term part	99,267	91,844	0	0
Within 1 year	121,957	121,424	0	0
Short-term part	121,957	121,424	0	0
	221,224	**213,268**	**0**	**0**

18 Derivative financial instruments

The Company's outstanding accounts in foreign currency and the related hedging transactions as per 30 September 2020 are as follows (DKK in thousands):

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Assets	0	2,888	0	0
Liabilities	1,113	0	0	0

For currency hedging of the future purchase of goods in USD, the company has entered into forward exchange contracts of total TDKK 111,873. Compared to forward prices at the balancesheet date, the contracts have a fair value of TDKK -1,113. The capital loss is recongnized in the equity.

Notes to the Financial Statements

19 Contingent assets, liabilities and other financial obligations

Guarantee obligations

Conscia A/S has provided a guarantee for the Parent Company - Capnor Connery HoldCo A/S A/S' bank debt.

Other contingent liabilities

The Company and its Danish subsidiaries are jointly taxed with the Danish companies of Capnor Connery Holdco A/S. The total amount of corporation tax payable is disclosed in the Annual Report of Capnor Connery HoldCo A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

20 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act, only transactions that are not performed on market conditions are to be disclosed.

Consolidated Financial Statements

The company is included in the consolidated annual accounts for Capnor Connery HoldCo A/S. The annual reports for 2018/2019 for Capnor Connery HoldCo A/S can be obtained from the danish business authority.

Name	Place of registered office
Capnor Connery HoldCo A/S (ultimate parent)	Brøndby, Denmark

21 Fee to auditors appointed at the general meeting

The Company is included in the consolidated Financial Statements for Capnor Connery HoldCo A/S, where the audit fee for the entire group is presented.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of Conscia A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2019/20 are presented in TDKK.

Material errors relating to previous years

During the financial year Management noted that the deferred income related to kick-back bonuses attributable support services was underestimated in connection with the implementation of IFRS 15 in 2018/2019.

Therefore, correction has been made in the equity in the Financial Statements for 2019/2020 for the equity 1 October 2019 and 1 October 2018.

The comparative figures for 2018/2019 have been adjusted to align with the correction in equity, where the expenses for raw materials and consumables and profit before tax is negatively impacted by TDKK 23,367, the value of the Company's deferred income has increased correspondingly. The current year's tax is positively impacted by TDKK 3,691 and correspondingly deferred tax has decreased by the same. Net profit/loss for 2018/19 and equity 1 October 2019 is thereby negatively impacted by TDKK 19,676.

The equity at 1 October 2018 has been negatively impacted by TDKK 17,001 and deferred revenue have increased by TDKK 20,325. Furthermore, deferred tax is negatively impacted by TDKK 3,324.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Capnor Connery HoldCo A/S, the Company and the Group have not prepared a cash flow statement.

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Conscia A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

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.

Notes to the Financial Statements

22 Accounting Policies (continued)

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Revenue

Information on business segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Conscia Group (Conscia) generates revenue from the sale of hardware, software, support services and consultancy services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Notes to the Financial Statements

22 Accounting Policies (continued)

Some contracts include multiple deliverables, such as the sale of hardware as well as the sale of software and support services. However, each deliverable is not integrated or interrelated with one another and could be performed by another party. Therefore, each deliverable is accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. The standalone selling prices of each performance obligation are always directly observable.

Conscia has concluded that it is the principal in its contracts with customers. The customer contracts do in general not include any variable consideration in the form of volumerebates, customer bonuses or price concessions.

Revenue from the sale of hardware is recognised at the point in time when control of the hardware is transferred. This is generally on delivery of the hardware at the customer's location.

The software sold by the Conscia are characterised as granting the customer a right-to-use the intellectual property as the customer contracts for the sale of software do not require the company to undertake activities that significantly affect the license. The software sold by the company has a significant standalone functionality and the customer is able to direct the use of, and obtain substantially all of the benefits from, the software at the time that control of the software is transferred to the customer. As such, revenue from the sale of software is recognised at the point in time when control of the software is transferred.

Revenue related to the sale of support services is recognized over the period in which the service is provided to the customer. Because the customer receives and consumes the benefits of the services provided as the company performs, the performance obligation is satisfied over time. Revenue is recognised on a straight-line basis.

The service periods varies between 1 to 5 years.

Revenue related to the sale of consultancy services is mostly derived through services with an hourly rate. Revenue generated from these contracts is recognised in the amount to which the company has a right to invoice which corresponds directly with the value to the customer of the company's performance to date. Customers are invoiced on a monthly basis and consideration is payable when invoiced. Some contracts for consultancy services related to large projects have a fixed price. The revenue generated in relation to those contracts is recognised over time on the basis of hours incurred, or costs incurred, relative to the total expected costs.

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

In 2018/19 IFRS 15 was applied.

Notes to the Financial Statements

22 Accounting Policies (continued)

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

Dividends from subsidiaries and associates are recognised as income in the income statement when adopted at the General Meeting of the companies.

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

22 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

The estimated financial life is based on the activity's unique commercial position and the employee's commercial and technical skills that are expected to be in use for at least 20 years.

Acquried other similer rights are mesured at the lower of cost less accumulated amortisation and recoverable amount.

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Land and buildings	1-12 years
Other fixtures and fittings	3-5 years

Depreciation period and residual value are reassessed annually.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Notes to the Financial Statements

22 Accounting Policies (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:- fixed payments (including in-substance fixed payments), less any lease incentives receivable- variable lease payment that are based on an index or a rate- amounts expected to be payable by the lessee under residual value guarantees- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Lease liabilities are subsequently measured by increasing increasing the carrying amount to reflect interest on the lease liability, and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:- the amount of the initial measurement of lease liability- any lease payments made at or before the commencement date less any lease incentives received- any initial direct costs, and- restoration costs.

Variable lease payments are recognised on a straight-line basis as an expense in profit or loss.

The Group has elected to recognise short-term leases and leases of low-value assets.

In 2018/19 IFRS 16 was applied.

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.

Investments in subsidiaries and associates

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

Other fixed asset investments

Other fixed asset investments consist of rent deposits.

Inventories

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

Notes to the Financial Statements

22 Accounting Policies (continued)

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Provisions

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

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

Notes to the Financial Statements

22 Accounting Policies (continued)

Deferred tax assets and liabilities

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

Deferred tax assets 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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Deferred income

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

Notes to the Financial Statements

22 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA ratio	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$
EBITDA normalized ratio	$\frac{\text{Normalized EBITDA x 100}}{\text{Revenue}}$
Normalized cash EBITDA ratio	$\frac{\text{Normalized cash EBITDA x 100}}{\text{Revenue}}$
EBITA ratio	$\frac{\text{EBITA x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$