Conscia A/S

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

Annual Report for 1 October 2020 - 30 September 2021

CVR No 36 45 09 83

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/1 2022

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 2020 - 30 September 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations for 2020/21.

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, 21 January 2022

Executive Board

Erik Gunnar Bertman CEO	Jacob Bryde Christensen CFO

Board of Directors

Morten Marc Hübbe Chairman	Sisse Fjelsted Rasmussen	Jess Ørgaard Libak Tropp
Erik Jonas Fredrik Näslund	Emil André Schacher	Anne Sophie M Lotgering

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 2021 and of the results of the Group’s and the Parent Company’s operations for the financial year 1 October 2020 - 30 September 2021 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 2020 - 30 September 2021, 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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish 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, 21 January 2022
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: 7th financial year Municipality of reg. office: Brøndby
Board of Directors	Morten Marc Hübbe, Chairman Sisse Fjelsted Rasmussen Jess Ørgaard Libak Tropp Erik Jonas Fredrik Näslund Emil André Schacher Anne Sophie M Lotgering
Executive Board	Erik Gunnar Bertman Jacob Bryde Christensen
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				
	2020/21	2019/20	2018/19	2017/18	2016/17
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,750,112	2,291,915	1,949,758	1,545,200	1,056,821
Gross profit/loss	850,206	693,728	520,443	462,818	294,315
EBITDA	292,108	258,003	202,685	180,965	119,208
EBITDA normalized*	311,571	266,365	222,803	185,896	119,208
Normalized cash EBITDA**	345,499	317,953	0	0	0
EBITA	246,330	219,515	156,829	176,938	115,181
Profit/loss before financial income and expenses	150,073	134,434	107,289	123,606	91,626
Net financials	-89,606	-84,226	-65,909	-24,333	-5,030
Net profit/loss for the year	13,404	18,763	10,899	62,288	64,295
Balance sheet					
Balance sheet total	2,374,421	2,247,485	1,899,176	1,474,816	1,368,078
Equity	350,116	371,245	290,626	459,263	300,560
Investment in property, plant and equipment	-61,784	-29,353	-78,194	-1,441	-2,166
Number of employees	838	699	501	341	201

Financial Highlights

	Group				
	2020/21	2019/20	2018/19	2017/18	2016/17
	TDKK	TDKK	TDKK	TDKK	TDKK
Ratios					
Gross margin	30.9%	30.3%	26.7%	30.0%	27.8%
EBITDA ratio	10.6%	11.3%	10.4%	11.7%	11.3%
EBITDA normalized ratio	11.3%	11.6%	11.4%	12.0%	11.3%
Normalized cash EBITDA ratio	12.6%	13.9%	0.0%	0.0%	0.0%
EBITA ratio	9.0%	9.6%	8.0%	11.5%	10.9%
Profit margin	5.5%	5.9%	5.5%	8.0%	8.7%
Return on assets	6.3%	6.0%	5.6%	8.4%	6.7%
Solvency ratio	14.7%	16.5%	15.3%	31.1%	22.0%
Return on equity	3.7%	5.7%	2.9%	16.4%	23.9%

In 2018/19 the leasing (IFRS 16) and revenue recognition (IFRS 15) accounting policies were amended. The comparative figures have not been adjusted for the change of policy for the years 2016/17 and 2017/18. Reference is made to the accounting policies.

Key figures for the financial year 2018/19 have been adjusted, due to the fact the revenue (IFRS 15) for the financial year was not presented correctly. The adjustment has affected: Revenue, Gross profit, EBITDA, EBITDA normalized, Normalized cash EBITDA, EBITA and Net profit/loss.

* Normalized EBITDA is adjusted for non-recurring costs.

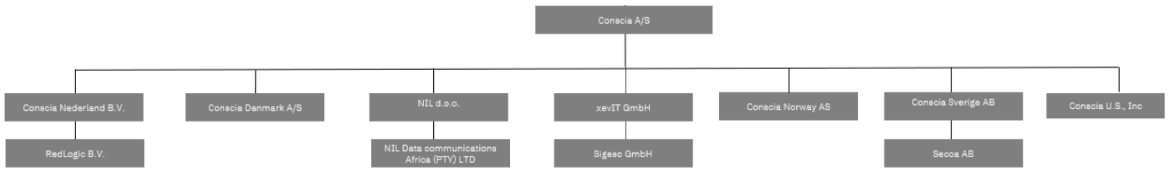
** Cash normalized EBITDA is including annual net-change in deferred income related to IFRS 15.

Management's Review

Description of the parent company and group

Conscia A/S is ultimately owned by Capnor Connery HoldCo A/S whose main activity is owning Conscia A/S and capital shares of the affiliated companies. The management review describes the development in Conscia A/S.

Organizational structure



As of 30 September 2021, Conscia had 864 employees, which was an increase of 25 % (171 employees)o since September 2020. 666 employees (77%) are located outside Denmark.

Conscia in brief

Conscia is a leading European IT specialist in networking, cyber security, and cloud providing secure infrastructure solutions and 24-7 managed services to clients with complex network, data center, cloud, IoT, and mobility demands. Conscia delivers best-in-class technical competencies and insights, and as a trusted advisor strives to support customers' business-critical technology systems across the entire life cycle from design, implementation, operation, to optimization.

Founded in 2003, Conscia today has about 900 employees serving some of the largest organizations within financial services, healthcare, public sector, manufacturing, utilities, and retail from offices in Denmark, Sweden, Norway, Germany, Netherlands, and Slovenia. Conscia aims to be the best place to work in Europe for talented IT specialists with deep technical expertise. For more information, please visit: www.conscia.com.

Conscia's ambition 2024
The long-term ambition of Conscia is to become the preferred networking and cloud infrastructure and cybersecurity partner in Europe for customers and vendors.

Conscia strives to:

•Deliver best-in-class mission-critical IT infrastructure & services throughout the entire lifecycle
•Be the most attractive and admired place to work for talented IT infrastructure & cybersecurity specialists
•Contribute to the sustainable transformation of society by operating responsibly and transparent in terms of environmental, social and ethical standards
•Deliver continued double digit revenue growth and market share gains.

Management's Review

Strategy execution

In the financial year 2021, Conscia continued to execute on its Network of Knowledge strategy. While the core of this strategy and its ambitions remain unchanged since its launch in 2019, Conscia reviews specific strategic priorities and targets every year. In financial year 2020/21, its focus was on:

•Growing 24/7 Services: Conscia has brought new and improved Services offerings to market, especially in the areas of cybersecurity and software-defined networking, and strengthened its focus on delivering Services from anywhere in the company to its customers

•Strengthening Solutions: Conscia continued to strengthen its leadership in Cisco offerings and has made several acquisitions in its markets to strengthen expertise in two of its core vendors (Palo Alto and VMware)

•Becoming One Conscia: Conscia has implemented an HR system to facilitate recruitment and talent development and improve overall employee experience; Conscia also invested in common IT tools and further developed its proprietary asset management system CNS as well as common operation center platforms.

Our performance was recognized by Cisco, who gave us several awards at individual country level: Commercial partner of the year, Software partner of the year, Technology Excellence Service Provider of the year in Denmark. Services Partner of the year and Private Sector partner of the year in Norway. Enterprise Networking and Meraki partner of the year and Marketing partner of the year in Sweden. Netherlands was awarded Public Sector partner of the year. Germany was awarded Collaboration partner of the year across all of EMEAR.

Financial review 2020/21

Revenue was DKK 2,750 million, corresponding to a growth of 20% compared to 2019/20 and in line with expectation in the annual report for the financial year 2019/20. Revenue growth was driven by a particularly strong performance in Conscia's Services business but recent acquisitions like Credocom, Damecon, NetIT and Secoa also contributed to the growth. Conscia continues to have a healthy mix of organic and inorganic growth.

Normalized EBITDA came to DKK 309 million, a growth of 18% compared to 2019/20 and in line with expectation in the annual report for the financial year 2019/20. Conscia continued its investments in IT, common platforms, HR and group functions to deliver on growth plans. A number of countries were negatively impacted by longer delivery cycles on products linked to the global shortage of semiconductors, which had a negative impact on EBITDA of DKK 10-12m.

EBITDA for the parent Company was a loss of DKK 0.1 million.

Management considers the results satisfactory.

Management's Review

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. Conscia has based its corporate governance efforts on a two-tier system where the Board of Directors and the Executive Board have two distinct roles. The Executive Board 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 Board. In addition, the Board of Directors use committees for special tasks. Thus, a chairman committee and an audit committee have been established.

Board meetings and audit committee meetings are held four to five times a year. Additionally, chairman meetings with the CEO are held 8-10 times per year.

Gender diversity and composition of Board of Directors and Executive Board

The Board of Directors of Conscia A/S consisted of 5 people, all men, by 30 September 2021. Following a General Meeting in January 2022, the Board of Directors now consists of 6 people with a gender split of 2/3 men and 1/3 women. The Executive Board consists of two men, the CEO and the CFO.

It was a target for 2021 to have at least one female board member. This target has now been met and thus, a new target has been set. The target is that at least 3 out of 8 members of the Board of Directors and Executive Board level are women by 2023.

It is Conscia's aim to attain a more balanced gender split in its leadership positions at all management levels. By the end of 2020/21, female workers constituted 20% of all employees and 14% of managers and team leads were women. The policy is to employ and promote the most qualified people, regardless of gender, and to give equal access to leadership positions to all qualified candidates. Despite an over-representation in the industry of the male gender, at least one female applicant must be invited to all job interviews, assuming qualified female applicants are available.

Conscia's continued effort in this regard includes, among others, raise of public awareness, collaborations with educational institutions and social events, just as the company generally seeks to promote an organizational culture where all employees respect each other as equals. Due to the covid-19 pandemic, Conscia didn't participate in any networking activities or other collaborative events in 2020/21 to promote gender diversity but aim to do so in the future.

Management’s Review

The board of directors

Chairman of the Board of Directors, 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.

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

Board member Sisse Fjeldsted Rasmussen is CFO at Stark Group and a member of the board of directors at Demant, AltaPay and Co-Ro.

Board member Anne Sophie Lotgering is chief Enterprise Market Officer at Proximus.

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 5 for further information.

Management's Review

Risks

Conscia is exposed to uncertainties and risk factors, which may affect some or all of its activities.

Contractual risks
As Conscia's business model is founded on 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 the Company's policies.

Employee risks
Conscia acknowledges that the employees are its most important asset. As Conscia's business model is founded on IT consultancy and extensive partnerships, having the right competencies is vital. Therefore, it is important that Conscia continues to attract, retain and develop skilled employees, and thus, Conscia has initiated several activities to strengthen employer branding, employee experience and not least constant development of skills and competencies in the organization. Failure to do so will negatively impact the continued development of the Company.

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 Company policy to seek to offset exchange-rate risks by matching revenue, as well as 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 inter-company balance of foreign subsidiaries at the balance sheet date constitute a risk. The Company does not hedge this type of risk. Consequently, Conscia may be affected in the short term by exchange rate fluctuations related to the translation of the results and inter-company 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 its 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 have been trained in the Security Policy, and proper adoption has been ensured.

Management's Review

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 core solutions and services. However, due to the size of its technical resource pool, this risk is manageable.

Unusual events

Longer delivery cycles

A number of countries have been negatively impacted by longer delivery cycles on products linked to the global shortage of semiconductors, which has had a negative impact on EBITDA of DKK 10-12m.

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 2021/2022

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 2021/22, Conscia expects to deliver double-digit growth in revenue and normalized EBITDA and add more than 50 employees compared with 2020/21.

Ownership

NC CONNERY, L.P, currently NC OISE CO-INVEST BETA, L.P.) acting by its general partner, NC CONNERY GP LIMITED holds more than 5% of the shares in Capnor Connery HoldCo A/S.

Events subsequently to the financial year

For a description of subsequent event a reference is made to note 26 in the Consolidated Financial Statements.

Management's Review

Environment, Social, and Governance (ESG)

This ESG section of the Annual Report 2020/21 constitutes the statutory statement on social responsibility of Capnor Connery HoldCo and its subsidiaries covering 1 October 2020 – 30 September 2021 in accordance with section 99a of the Danish Financial Statements Act.

Conscia always strive to comply with applicable legislation and is a member of the UN Global Compact. Conscia has developed policies for the ethical conduct of the business and continuously aim for improving its performance within all four areas of the Global Compact – Environment, Ethics, Human Rights and Labor Rights.

The main target for 2020/21 was to conduct a stakeholder analysis and materiality assessment to create a solid foundation for the future ESG work in Conscia. The reporting below is the result of this work. In 2021/22, Conscia will continue to develop its ESG management to strengthen data collection and target setting for all four areas of the Global Compact.

Conscia's business model
Conscia is a full-service IT consultancy and infrastructure provider throughout the value chain. Conscia's offerings are categorized into two business areas: Solutions and Services. Through its Solutions offerings, Conscia provides the design and implementation of network, cyber security and cloud infrastructure for customers, which also includes accompanying hardware and software. Through Services, Conscia provides 24/7 vendor, own-developed and managed IT services to customer by not only supporting IT solutions, but also actively operating and monitoring hardware and software installed by Conscia. Conscia's total revenue for the year ended September 30, 2021 was DKK 2,750, and the company had 864 employees at September 20, 2021. For further information about the company's key financials and results, please refer to page 4.

Sustainability and IT
Through digitalization, cloud solutions and Internet of Things, the IT industry possesses the ability to globally revolutionize the way business is conducted and resources are allocated. By providing digital solutions and services, Conscia contributes to a solid and reliable digital foundation for society. It is Conscia's ambition to deliver and service some of the most society-critical administrative systems and complex IT infrastructure solutions available on the market, allowing its customers to safely focus their efforts on creating value for customers, employees, society and other stakeholders.

Materiality assessment
A materiality assessment involving stakeholders from inside and outside Conscia has established an overview of the company's most material aspects related to the four areas of the UN Global Compact. Thus, Conscia's sustainability focus areas are:

1.Data security and privacy
2.Climate & environmental impact
3.Hardware life cycling
4.Business integrity
5.Green IT

Management's Review

6.Employee training & development

In addition, Conscia has identified the following areas where the company needs to perform well to support the business strategy and meet stakeholder expectations: Socially responsible operations, diversity, working conditions as well as student programs & knowledge sharing.

Sustainability objectives
Conscia has defined the following sustainability objectives based on our materiality analysis:

•Environmental responsibility: Committing to keep reducing our environmental footprint as a company, while at the same time helping our customers reduce their environmental footprint through green and sustainable IT solutions.

•Social engagement: Investing in diverse IT talent and education to unfold digital capabilities, while applying our expert knowledge and competencies for the benefit of the community and society at large.

•Governance: Ensuring that the company's business decisions are based on good corporate governance live up to our ESG commitments.

The financial year was affected by the COVID-1 pandemic, and Conscia established new ways of working from home, also driven by COVID-19 lock-downs – minimizing footprint while keeping employees safe. A new Working from Home Policy unrelated to future COVID-19 developments will continue to allow employees to partially work from home, helping to lower costs, CO_2 emissions and time spent related to commuting, while also providing more flexibility to enhance a better work-life balance.

Environmental responsibility
Conscia is committed to reducing its climate impact and has implemented procedures and initiatives to reduce the company's greenhouse gas (GHG) emissions and resource consumption. Daily operations are monitored and regularly updated to utilize modern power saving infrastructures both in terms of energy consumption and energy sourcing. The biggest contribution to GHG savings is through the customers' solution and service choices. Conscia seek to advise customers on green and sustainable solutions, allowing them to also reduce their climate footprint. It is a target for 2021/22 to further strengthen the company's services in this regard.

On energy specific efforts, Conscia has established an electronic device shut down policy, a guide on how to ensure energy-efficient appliances, and energy-saving lightning. In 2020/21, our CO_2 emissions for scope 1 and scope 2 were 786 and 970 metric tons, respectively, covering Conscia headquarters and all subsidiaries.

Electronic equipment is of special concern to Conscia, and appropriate policies for handling of electronic waste and take-back schemes are in place. A digital waste guide is included in the awareness training for all employees and new hires.

Environmental risks
Conscia is exposed to certain environmental risks, primarily related to use, reuse and disposal of IT

equipment in the value chain. We are collaborating closely with our main supplier to facilitate that our customers use the Cisco Takeback and Reuse Program. This makes it simple, secure, and sustainable to return end-of-use gear, no matter where the equipment is located or what fabrication. This supports Conscia's vision of a circular economy.

Social engagement
Conscia denunciates all use of child labor, human trafficking, or any other form of forced or compulsory labor. Conscia wishes to be a positive influence in society, both with own employees and by the way the company's solutions affect societies in which they are applied.

Conscia is focused on health and job satisfaction and ensures that a safe working environment is in place. There is ongoing dialogue with employees to always understand how the working environment can be improved. The performance is tracked through an employee satisfaction survey, where Conscia in 2020/21 reached an average employee Net Promoter Score (eNPS) of 61, which is considered top 10% in the industry.

In 2020/21, Conscia also expanded its Center of Excellence platform, which is a unique learning academy for employees. It provides a range of development programs and Virtual Teams (VTs) covering knowledge sharing across the Group on business-critical topics.

Conscia invests in IT talent and education to unfold digital capabilities. The company has engagements with schools and universities to develop digital skills throughout society and across businesses. Different student programs are established to match local needs and engagements. Currently running in 3 of our 6 countries, these programs are planned to be extended to the entire Conscia Group during 2021/22.

For many years and across local offices, Conscia has been initiating and supporting numerous sustainability and community projects. Many of these activities are carried out in cooperation with regional and local partners, such as UNICEF, industry organizations and local business chambers. It is a continued ambition of Conscia to be a part of the local communities where employees live and work.

Social risks
As Conscia primarily works with leading global and recognized players in the industry, the risks related to labor rights are limited. The main social risk for Conscia is the lack of access to IT competencies. Therefore, it is important that Conscia continues to attract, retain and develop skilled employees, and thus, Conscia has initiated several activities to strengthen employer branding, employee experience and not least constant development of skills and competencies in the organization.

Human rights and business ethics
Conscia follows the United Nations' Declaration of Human Rights and firmly denunciates all use of child labor, human trafficking or any other form of forced or compulsory labor. In the company's code of conduct, it is clearly stated, that Conscia will not compromise on requirements set out in national law or international standards regarding worker safety and human rights. The right to data protection and privacy are also fundamental human rights, which must always be respected in line with any other fundamental rights.

Management's Review

Conscia has established a governance and corporate compliance program covering anti-bribery, competition, data protection and trade sanctions. A comprehensive data protection manual clearly stipulates how to protect privacy and process personal data, and the company has implemented policies regarding anti-bribery and a code of conduct. The anti-bribery policy covers topics such as exchange of gifts, interaction with public sector representatives and assessment of third parties.

A whistle-blower system has also been established, where knowledge or suspicions of violations may be reported anonymously and without fear of repercussions. In 2020/21, no human rights or any anti-bribery incidents were registered.

For training purposes, Conscia is leveraging the KnowBe4 training platform, which is the world's largest integrated platform for security awareness training combined with simulated phishing attacks. The platform is being used for security awareness training as well as training in internal Conscia processes and governance covering e.g. GDPR, information security and governance.

A total of 70% of all employees and 100% of new employees had completed the governance and compliance program training by the end of 2020/21. Conscia has set a target that by end 2022, 90% of all employees must have concluded the training program.

Human rights and ethics risks
The main human rights and ethics risks are unethical data handling and data leaks leading to dissemination of personal data. In addition, employees may not be aware of legislation or company policies and thus there is a risk of non-compliance and violations of legislation and internal policies, including the company's code of conduct and anti-bribery manual. To mitigate these risks, all employees are required to acquaint themselves with corporate policies, which are supported with internal training, as described above. Awareness campaigns are regularly conducted to maintain attention to good governance and compliance. Conscia has also implemented a whistle-blower system. Please see the risk management section of the annual report for further information about handling of IT security risks.

Governance
ESG initiatives and reporting is anchored in the Communications and Compliance function. An ESG steering committee, reporting to the Leadership Team, facilitates and monitors Conscia's continued efforts within the scope of the ESG policies.

Income Statement 1 October - 30 September

	Note	Group 2020/21 TDKK	Group 2019/20 TDKK	Parent company 2020/21 TDKK	Parent company 2019/20 TDKK
Revenue	1	**2,750,112**	**2,291,915**	**0**	**0**
Other operating income		3,421	5,299	0	0
Expenses for raw materials and consumables		-1,751,226	-1,480,670	0	0
Other external expenses		-152,101	-122,816	-156	-657
Gross profit/loss		**850,206**	**693,728**	**-156**	**-657**
Staff expenses	2	-559,372	-435,725	0	-52
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-140,761	-123,569	0	0
Profit/loss before financial income and expenses		**150,073**	**134,434**	**-156**	**-709**
Income from investments in subsidiaries		0	0	40,000	0
Financial income	4	194	1,263	0	1,270
Financial expenses	5	-89,800	-85,489	-30,266	-21,356
Profit/loss before tax		**60,467**	**50,208**	**9,578**	**-20,795**
Tax on profit/loss for the year	6	-47,063	-31,445	-3,079	1,125
Net profit/loss for the year		**13,404**	**18,763**	**6,499**	**-19,670**

Balance Sheet 30 September

Assets

		Group		Parent company	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Customer contracts		141,453	138,409	0	0
Acquired rights		6,619	11,871	0	0
Goodwill		1,130,144	1,125,218	0	0
Intangible assets	7	**1,278,216**	**1,275,498**	**0**	**0**
Buildings		84,417	74,873	0	0
Other fixtures and fittings, tools and equipment		81,783	57,748	0	0
Equipment in progress		0	16,052	0	0
Property, plant and equipment	8	**166,200**	**148,673**	**0**	**0**
Investments in subsidiaries	9	0	0	1,150,798	1,100,994
Investments in associates	10	45	45	0	0
Deposits	11	3,263	3,072	0	0
Other receivables	11	5,153	3,437	0	0
Prepayments		12,690	16,518	0	0
Fixed asset investments		**21,151**	**23,072**	**1,150,798**	**1,100,994**
Fixed assets		**1,465,567**	**1,447,243**	**1,150,798**	**1,100,994**

Balance Sheet 30 September

Assets

		Group		Parent company	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Inventories	12	**56,044**	**66,675**	**0**	**0**
Trade receivables		491,453	384,967	0	0
Contract work in progress	13	78,384	74,638	0	0
Receivables from group enterprises		0	0	3,197	0
Receivables from associates		1,296	0	0	0
Other receivables	18	27,845	34,661	0	42
Deferred tax	16	3,284	1,313	0	0
Corporation tax		2,914	12,572	0	0
Corporation tax receivable from group enterprises		0	0	3,622	12,900
Prepayments	14	77,654	84,451	0	0
Receivables		**682,830**	**592,602**	**6,819**	**12,942**
Cash at bank and in hand		**169,980**	**140,965**	**0**	**0**
Currents assets		**908,854**	**800,242**	**6,819**	**12,942**
Assets		**2,374,421**	**2,247,485**	**1,157,617**	**1,113,936**

Balance Sheet 30 September

Liabilities and equity

	Note	Group 2021	Group 2020	Parent company 2021	Parent company 2020
		TDKK	TDKK	TDKK	TDKK
Share capital		624	624	624	624
Share premium account		0	66,141	0	66,141
Reserve for exchange adjustments		2,811	0	0	0
Reserve for hedging transactions		1,502	-692	0	0
Retained earnings		328,055	294,480	635,061	602,421
Equity attributable to shareholders of the Parent Company		**332,992**	**360,553**	**635,685**	**669,186**
Minority interests		17,124	10,692	0	0
Equity		**350,116**	**371,245**	**635,685**	**669,186**
Provision for deferred tax	16	14,994	16,306	114	0
Provisions		**14,994**	**16,306**	**114**	**0**
Credit institutions		303,892	305,655	0	0
Lease obligations		86,266	75,701	0	0
Payables to group enterprises		739,189	656,201	521,335	444,680
Provisions		2,832	2,357	0	0
Corporation tax relating to Group		10,556	4,293	0	0
Deferred income		94,555	99,267	0	0
Long-term debt	17	**1,237,290**	**1,143,474**	**521,335**	**444,680**

Balance Sheet 30 September

Liabilities and equity

		Group		Parent company	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Credit institutions	17	1,891	2,224	0	0
Lease obligations	17	31,273	27,108	0	0
Prepayments received from customers		27,860	75,613	0	0
Trade payables		247,831	194,030	0	0
Payables to group enterprises	17	77,483	84,373	389	0
Payables to associates		0	100	0	0
Corporation tax		23,833	20,404	0	0
Payables to group enterprises relating to corporation tax	17	4,293	0	0	0
Other payables	18	196,960	190,651	94	70
Deferred income	17,19	160,597	121,957	0	0
Short-term debt		**772,021**	**716,460**	**483**	**70**
Debt		**2,009,311**	**1,859,934**	**521,818**	**444,750**
Liabilities and equity		**2,374,421**	**2,247,485**	**1,157,617**	**1,113,936**

Distribution of profit	15
Contingent assets, liabilities and other financial obligations	20
Related parties	21
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Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for exchange adjustments	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	624	66,141	0	-692	294,480	360,553	10,692	371,245
Exchange adjustments	0	0	2,811	0	0	2,811	462	3,273
Extraordinary dividend paid	0	0	0	0	-40,000	-40,000	0	-40,000
Fair value adjustment of hedging instruments, beginning of year	0	0	0	692	0	692	0	692
Fair value adjustment of hedging instruments, end of year	0	0	0	1,794	0	1,794	0	1,794
Tax on adjustment of hedging instruments for the year	0	0	0	-292	0	-292	0	-292
Net profit/loss for the year	0	0	0	0	7,434	7,434	5,970	13,404
Transfer from share premium account	0	-66,141	0	0	66,141	0	0	0
Equity at 30 September	**624**	**0**	**2,811**	**1,502**	**328,055**	**332,992**	**17,124**	**350,116**

Parent company

	Share capital	Share premium account	Reserve for exchange adjustments	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	624	66,141	0	0	602,421	669,186	0	669,186
Extraordinary dividend paid	0	0	0	0	-40,000	-40,000	0	-40,000
Net profit/loss for the year	0	0	0	0	6,499	6,499	0	6,499
Transfer from share premium account	0	-66,141	0	0	66,141	0	0	0
Equity at 30 September	**624**	**0**	**0**	**0**	**635,061**	**635,685**	**0**	**635,685**

Notes to the Financial Statements

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK

1 Revenue

All sale are primarily on the european market.

Solutions	2,011,718	1,712,215	0	0
Service	738,394	579,700	0	0
	2,750,112	**2,291,915**	**0**	**0**

2 Staff expenses

Wages and salaries	478,839	365,446	0	0
Pensions	42,428	41,480	0	0
Other social security expenses	33,371	25,130	0	0
Other staff expenses	4,734	3,669	0	52
	559,372	**435,725**	**0**	**52**
Average number of employees	**838**	**699**	**0**	**0**

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

Capnor Connery HoldCo A/S has in 2019 introduced an incentive program for its Executive Board and key employees, under which the participants agree to purchase shares in Capnor Connery HoldCo A/S. The shares acquired 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 dividend according to the the shareholder agreement.

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 programme 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 participants has not received any abnormal privileges by acquiring the shares either.

The shareholder agreement remains in force and effect for 13 years or until an exit event occurs.

Notes to the Financial Statements

		Group		Parent company	
		2020/21	2019/20	2020/21	2019/20
		TDKK	TDKK	TDKK	TDKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	94,983	85,081	0	0
	Depreciation of property, plant and equipment	45,778	38,488	0	0
		140,761	**123,569**	**0**	**0**
4	**Financial income**				
	Interest received from group enterprises	0	0	0	702
	Other financial income	194	214	0	34
	Exchange adjustments	0	1,049	0	534
		194	**1,263**	**0**	**1,270**
5	**Financial expenses**				
	Interest paid to group enterprises	59,670	46,625	29,654	20,541
	Other financial expenses	29,549	27,225	0	815
	Exchange adjustments	581	11,639	612	0
		89,800	**85,489**	**30,266**	**21,356**
6	**Tax on profit/loss for the year**				
	Current tax for the year	45,599	34,179	-1,886	-1,385
	Deferred tax for the year	-2,556	-1,500	114	0
	Adjustment of tax concerning previous years	4,433	-1,494	4,851	0
	Adjustment of deferred tax concerning previous years	-413	260	0	260
		47,063	**31,445**	**3,079**	**-1,125**

Notes to the Financial Statements

7 Intangible assets

Group

	Customer contracts	Acquired rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 October	154,281	31,165	1,363,658
Exchange adjustment	159	-9	1,542
Additions through business combinations	18,240	0	75,674
Additions for the year	0	2,860	0
Disposals for the year	0	-1,013	0
Cost at 30 September	172,680	33,003	1,440,874
Impairment losses and amortisation at 1 October	15,872	19,294	238,440
Exchange adjustment	-18	-6	383
Amortisation for the year	15,373	7,703	71,907
Impairment and amortisation of sold assets for the year	0	-607	0
Impairment losses and amortisation at 30 September	31,227	26,384	310,730
Carrying amount at 30 September	**141,453**	**6,619**	**1,130,144**
Amortised over	5-15 years	3 years	20 years

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	97,884	116,275	16,052
Exchange adjustment	312	0	-21
Net effect from merger and acquisition	0	2,306	0
Additions for the year	25,277	35,243	1,264
Disposals for the year	-3,000	-13,085	0
Transfers for the year	0	17,295	-17,295
Cost at 30 September	120,473	158,034	0
Impairment losses and depreciation at 1 October	23,011	58,527	0
Exchange adjustment	142	2	0
Depreciation for the year	15,903	29,874	0
Reversal of impairment and depreciation of sold assets	-3,000	-12,152	0
Impairment losses and depreciation at 30 September	36,056	76,251	0
Carrying amount at 30 September	**84,417**	**81,783**	**0**
Depreciated over	1-11 years	1-8 years	
Including assets under finance leases amounting to	84,417	30,242	

Notes to the Financial Statements

	Parent company 2021	Parent company 2020
	TDKK	TDKK
9 Investments in subsidiaries		
Cost at 1 October	1,100,994	858,222
Additions for the year	49,804	242,772
Carrying amount at 30 September	**1,150,798**	**1,100,994**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Conscia Danmark A/S	Denmark, Brøndby	700	100%
Conscia Sverige AB	Sweden, Stockholm	3,278	63%
Conscia Norge AS	Norway, Oslo	17,731	100%
Conscia Nederland B.V.	Netherlands, Gouda	2,231	100%
NIL Skupina d.o.o.	Slovenia, Ljubljana	2,974	100%
xevIT GmbH	Germany, Ettlingen	213	100%

	Group 2021	Group 2020	Parent company 2021	Parent company 2020
	TDKK	TDKK	TDKK	TDKK
10 Investments in associates				
Cost at 1 October	45	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	Other receiv- ables
	TDKK	TDKK
Cost at 1 October	3,072	0
Additions for the year	191	5,153
Cost at 30 September	3,263	5,153
Carrying amount at 30 September	**3,263**	**5,153**

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

12 Inventories

Finished goods and goods for resale	56,044	66,675	0	0
	56,044	**66,675**	**0**	**0**

13 Contract work in progress

Selling price of work in progress	100,618	93,913	0	0
Payments received on account	-22,234	-19,275	0	0
	78,384	**74,638**	**0**	**0**

14 Prepayments

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

15 Distribution of profit

Minority interests	5,970	338	0	0
Retained earnings	7,434	18,425	6,499	-19,670
	13,404	**18,763**	**6,499**	**-19,670**

Notes to the Financial Statements

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

16 Provision for deferred tax

Provision for deferred tax at 1 October	14,993	-7,153	0	0
Amounts recognised in the income statement for the year	-2,556	-1,500	114	0
Deferred tax from acquisitions and other adjustments	-727	23,646	0	0
Provision for deferred tax at 30 September	**11,710**	**14,993**	**114**	**0**
Intangible fixed assets	36,146	32,375	114	0
Tangible fixed assets	1,762	1,726	0	0
Right-of-use assets	-2,210	149	0	0
Work in progress for the account og costumers	168	-584	0	0
Borrowing costs	0	-1,328	0	0
Income for later taxation	-304	-539	0	0
Deferred tax related to IFRS 15	-23,439	-30,387	0	0
Deferred tax adjustment prior year	-413	13,581	0	0
Transferred to deferred tax asset	3,284	1,313	0	0
	14,994	**16,306**	**114**	**0**

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

Deferred tax asset

Calculated tax asset	3,284	1,313	0	0
Carrying amount	**3,284**	**1,313**	**0**	**0**

The deferred tax asset contains deferred income and kick-back and is expected to be realized through expected profits within the next 3 years.

Notes to the Financial Statements

17 Long-term debt

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	302,001	305,655	0	0
Between 1 and 5 years	1,891	0	0	0
Long-term part	303,892	305,655	0	0
Within 1 year	1,891	2,224	0	0
	305,783	**307,879**	**0**	**0**
Lease obligations				
After 5 years	29,653	36,150	0	0
Between 1 and 5 years	56,613	39,551	0	0
Long-term part	86,266	75,701	0	0
Within 1 year	31,273	27,108	0	0
	117,539	**102,809**	**0**	**0**
Payables to group enterprises				
Between 1 and 5 years	739,189	656,201	521,335	444,680
Long-term part	739,189	656,201	521,335	444,680
Within 1 year	77,483	84,373	389	0
	816,672	**740,574**	**521,724**	**444,680**
Provisions				
Between 1 and 5 years	2,832	2,357	0	0
Long-term part	2,832	2,357	0	0
Within 1 year	0	0	0	0
	2,832	**2,357**	**0**	**0**
Corporation tax relating to Group				
Between 1 and 5 years	10,556	4,293	0	0
Long-term part	10,556	4,293	0	0
Within 1 year	4,293	0	0	0
	14,849	**4,293**	**0**	**0**

Notes to the Financial Statements

17 Long-term debt (continued)

	Group		Parent company	
	2021	2020	2020/21	2020
Deferred income	TDKK	TDKK	TDKK	TDKK
Between 1 and 5 years	94,555	99,267	0	0
Long-term part	94,555	99,267	0	0
Within 1 year	160,597	121,957	0	0
	255,152	**221,224**	**0**	**0**

18 Derivative financial instruments

The Company's outstanding accounts in foreign currency and the related hedging transactions as per 30 September 2021 are as follows (DKK in thousands):

Assets	1,572	0	0	0
Liabilities	0	1,113	0	0

For currency hedging of the future purchase of goods in USD, the company has entered into forward exchange contracts of total TDKK 109,906. Compared to forward prices at the balancesheet date, the contracts have a fair value of TDKK 1,572. The capital loss is recongnized in the equity.

19 Deferred income

Deferred income is deferred revenue in accordance with IFRS 15 and consist of deferred service subscriptions and kick-back.

Notes to the Financial Statements

20 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.

21 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 2020/2021 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

22 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

23 Accounting Policies

The Annual Report of Conscia A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

In 2018/19 the leasing (IFRS 16) and revenue recognition (IFRS 15) accounting policies were amended.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020/21 are presented in TDKK.

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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

Business combinations

Business acquisitions

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

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

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Customer contracts acquired through business combinations are recognised at fair value at the acqusition date. Customer contracts s amortised on a straight-line basis over its useful life, which is assessed at 15 years.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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	1-11 years
Other fixtures and fittings	1-8 years

The fixed assets' residual values are determined at nil.

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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 regarding service 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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

23 **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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$