Capnor Connery HoldCo A/S

Conscia A/S c/o Kirkebjerg Parkvej 9, 2nd floor. 2605 Brøndby

CVR No 39 01 89 77

Annual report for

1 October 2020
-
30 September 2021

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

Chair of the meeting

Martin Adrian Møller

Contents

Company Information

Company
Capnor Connery HoldCo A/S
Kirkebjerg Parkvej 9, 2nd floor
2605 Brøndby

CVR No: 39 01 89 77
Municipality of reg. office: Brøndby
Financial year: 4th financial year
Financial period: 1 October 2020 - 30 September 2021

Executive Board
Erik Gunnar Bertman
Jacob Bryde Christensen

Board of Directors
Morten Hübbe (Chairman)
Erik Jonas Fredrik Näslund
Emil André Schacher
Jess Ørgaard Libak Tropp
Anne Sophie M Lotgering
Sisse Fjelsted Rasmussen

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR No: 33 77 12 31

Key figures

Financial highlights	30 September 2021 TDKK 12 months	30 September 2020 TDKK 12 months	30 September 2019 TDKK 9 months*	31 December 2018 TDKK 15 months
Profit and loss accounts				
Revenue	2,750,112	2,292,705	790,626	0
Gross profit	848,085	678,393	160,506	0
EBITDA	269,612	224,898	6,093	0
Normalized EBITDA**	308,912	257,314	63,356	0
Cash normalized EBITDA***	342,840	308,345	233,549	0
Profit/loss before financial income and expenses	110,498	79,702	(47,247)	0
Net financials	(192,275)	(179,778)	(68,787)	0
Loss for the year	(98,499)	(102,465)	(111,974)	0
Balance sheet				
Total assets	4,658,064	4,615,642	4,237,143	50
Additions during the year - Property, plant and equipment	16,265	29,353	3,703	0
Total equity	1,617,977	1,654,910	1,552,912	50
Cash flows				
Net cash flow from operating activities	30,043	18,453	(90,671)	0
Net cash flow from investing activities	(126,189)	(261,000)	(1,999,423)	0
Cash flow from financing activities	49,745	305,483	2,250,473	0
Employees				
Average number of employees	852	709	526	0
Key Ratios				
Gross margin (%)	31%	30%	20%	0%
EBITDA ratio (%)	10%	10%	1%	0%
Normalized EBITDA ratio (%)	11%	11%	8%	0%
Cash normalized EBITDA ratio (%)	12%	13%	30%	0%
Return on assets (%)	-2%	-2%	-3%	0%
Solvency ratio (%)	35%	36%	37%	100%
Return on equity (%)	-6%	-6%	-7%	0%

For definition of key ratios, see accounting policies.

The company has implemented IFRS on 1 January 2019.

* The consolidated figures for 2019 only include operating activities for a five months period from 1 May to 30 September 2019 as Conscia A/S, including the Conscia group of companies, was acquired on 30 April 2019.

** Normalized reported EBITDA is adjusted for non-recurring costs.

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

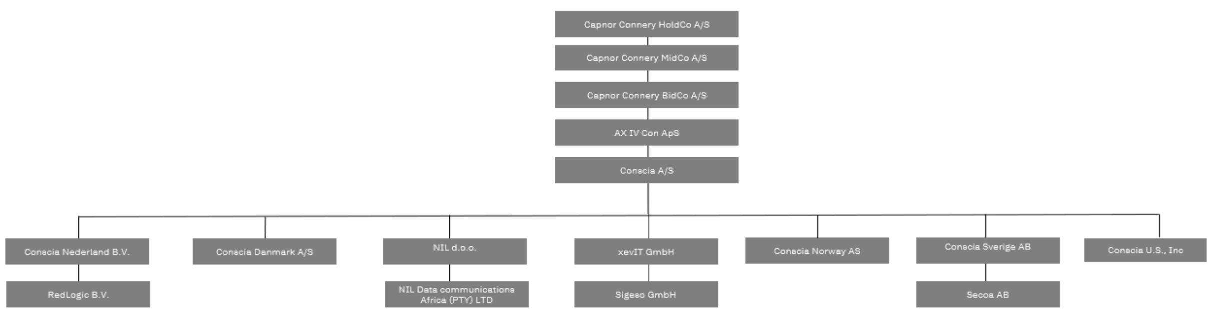
Management's Review

Description of the parent company and group

The main activities of Capnor Connery HoldCo A/S (the “Company” or the “Parent Company”) consist of owning the Conscia group including its direct and indirect subsidiaries (the “Group”), and capital shares of the affiliated companies.

In the following sections, the management review will describe the development in the Group’s top operating company Conscia A/S (Conscia) and address business activities, strategy, sustainability, and risk management from the perspective of Conscia A/S. The governance section covers the structure of the reporting entity, Capnor Connery HoldCo A/S.

Organizational structure



All companies in the Group are, directly or indirectly, owned 100% by Capnor Connery HoldCo A/S, except NIL Data communications, which is indirectly owned by 74%.

As of 30 September 2021, Conscia had 864 employees, which was an increase of 25 % (171 employees) 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 a 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.

Management's Review

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.

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.

Management's Review

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 20% 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.

Corporate Governance

This section covers the governance of Capnor Connery HoldCo A/S, but as the main activities of Capnor Connery HoldCo A/S consist of owning Conscia and capital shares of the affiliated companies, any reference to activities and conditions in the Company refer to Conscia A/S apart from Board of Directors and Executive Board composition and activities.

By virtue of its Private Equity ownership, Capnor Connery HoldCo A/S 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. The Company 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 uses committees for special tasks. Thus, an audit committee has been established. Board meetings and audit committee meetings are held four to five times a year.

Management's Review

Gender diversity and composition of Board of Directors and Executive Board

The Board of Directors of Capnor Connery HoldCo A/S consisted of 3 people, all men, by 30 September 2021. It was a target for 2020/21 to have at least one female member of the Board of Directors. The target was not achieved in 2021 as there were no changes to the composition of the Board of Directors. By December 2021, the Board of Directors was changed to align the composition with the Group's top operating company Conscia A/S and is now composed 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.

The target is that at least 3 out of 8 members of the Board of Directors and Executive Board level are women by 2023.

A new target has been set for gender representation in the Group. The target is to reach a 60/40 gender split 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 2020/2021, 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.

The board of directors

Chairperson 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. Chairperson 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 including BearingPoint, Siteimprovement, 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 and Chairperson of Rokoko Electronics. Also, chairperson of the Audit Committee in Conscia.

Board member, Emil Schacher is CEO and chairperson 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.

Management's Review

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.

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.

Management's Review

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 the best possible way of minimizing the risk of exposing or losing 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.

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 tools 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 our 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 positiv 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, acting by its general partner, NC CONNERY GP LIMITED, holds more than 5% of the shares in Capnor Connery HoldCo A/S.

Management's Review

Events subsequently to the financial year

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

Environment, Social, and Governance (ESG)

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

Conscia always strives 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 aims 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 customers 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 MDKK 2,750, and the company had 864 employees on 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 the 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.

Management's Review

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

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 liveing up to our ESG commitments.

The financial year was affected by the COVID-19 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.

Management's Review

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' solutions and service choices. Conscia seeks 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 lighting. In 2020/21, our CO2 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 the 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 the 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.

Management's Review

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 its 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 an 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 63, 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.

Management's Review

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.

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 the 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 the end of 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 the handling of IT security risks.

Governance

ESG initiatives and reporting are 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.

Management's Statement

The Board of Directors and the Executive Board (the Management) have today considered and adopted the Annual Report of Capnor Connery HoldCo A/S for the financial year 1 October 2020 – 30 September 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 30 September 2021 of the Group and the Parent Company and of the results of the Group and the Parent Company's operations and consolidated cash flows for the financial year 1 October 2020 - 30 September 2021 of the Group.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year, and of the financial position of the Group and the Parent Company.

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

Brøndby, 21 January 2022

Executive Board

Erik Gunnar Bertman	Jacob Bryde Christensen

Board of Directors

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

Independent Auditor's Report

To the Shareholders of Capnor Connery HoldCo A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 September 2021 and of the results of the Group's operations and cash flows for the financial year 1 October 2020 - 30 September 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 September 2021 and of the results of 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 Capnor Connery HoldCo 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, as well as statement of comprehensive income and cash flow statement for the Group ("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 Statement 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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 judgment and maintain professional skepticism 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 Group's and the Parent Company's internal control.

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

• Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Parent Company to cease to continue as a going concern.

Independent Auditor's Report

• 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

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State Authorised Public Accountant
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Income Statement

	Note	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
		TDKK	TDKK
Revenue	3	2,750,112	2,292,705
Expenses for materials and consumables	14	(1,751,177)	(1,490,257)
Other operating income		3,421	5,516
Other external expenses		(154,272)	(129,572)
Gross profit		**848,085**	**678,393**
Staff expenses	4	(578,474)	(453,495)
EBITDA		**269,612**	**224,898**
Depreciation and amortisation	6	(159,114)	(145,196)
Profit before net financials		**110,498**	**79,702**
Financial income	7	184	7,245
Financial expenses	8	(192,459)	(187,023)
Loss before tax		**(81,777)**	**(100,076)**
Income tax expense	9	(16,722)	(2,389)
Loss for the year		**(98,499)**	**(102,465)**

Statement of comprehensive income

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
Loss for the period	**(98,499)**	**(102,465)**
Other comprehensive income		
Items that will be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,061	(349)
Hedging gains reclassified to profit or loss	691	(2,888)
Fair value adjustment of hedging intruments	1,503	(691)
Other comprehensive income/ loss for the year, net of tax	**4,255**	**(3,928)**
Total comprehensive loss for the year	**(94,245)**	**(106,394)**

Balance sheet

	Note	30 September 2021	30 September 2020
		TDKK	TDKK
Intangible assets	10	3,559,678	3,560,461
Property, plant and equipment	11	52,693	46,531
Right-of-use assets	13	114,746	102,528
Investments in associates		45	45
Other receivables		6,372	4,337
Prepayments		12,690	16,518
Deferred tax assets	12	0	1,313
Total non-current assets		**3,746,225**	**3,731,733**
Inventories	14	56,044	66,675
Trade receivables	15	491,453	384,967
Contract assets	16	78,384	74,638
Receivables from associates		1,296	0
Income tax receivables		2,914	12,572
Derivatives	19	1,572	0
Other receivables	19	28,371	36,886
Prepayments		80,480	87,690
Cash and cash equivalents		171,324	220,479
Total current assets		**911,839**	**883,908**
Total assets		**4,658,064**	**4,615,642**

Balance sheet

	Note	30 September 2021 TDKK	30 September 2020 TDKK
Share capital	17	1,946	1,873
Share premium		1,926,135	1,868,897
Foreign currency translation reserve		1,332	(729)
Hedging reserve	19	1,502	(691)
Retained earnings		(312,939)	(214,439)
Total equity		**1,617,977**	**1,654,910**
Borrowings	18	1,972,336	1,960,207
Lease liabilities	13	86,266	75,805
Income tax payables		8,087	1,246
Deferred tax liabilities	12	174,053	192,935
Other payables		2,832	2,357
Deferred income	16	94,555	99,267
Total non-current liabilities		**2,338,130**	**2,331,818**
Borrowings	18	17,055	2,224
Trade payables		249,219	197,914
Lease liabilities	13	31,365	27,402
Income tax payables		7,774	4,042
Prepayments from customers	16	27,860	75,613
Payables to associates		0	100
Derivatives	19	0	1,113
Other payables		208,086	198,550
Deferred income	16	160,597	121,957
Total current liabilities		**701,956**	**628,915**
Total liabilities		**3,040,086**	**2,960,732**
Total equity and liabilities		**4,658,064**	**4,615,642**

Statement of changes in equity

	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October 2020	**1,873**	**1,868,897**	**(729)**	**(691)**	**(214,439)**	**1,654,910**
Loss for the year	0	0	0		(98,499)	(98,499)
Other comprehensive income	0	0	2,061	2,194	0	4,255
Total comprehensive income for the period	**0**	**0**	**2,061**	**2,194**	**(98,499)**	**(94,245)**
Transactions with owners in their capacity as owners						
Capital increase	73	57,238	0	0	0	57,311
Total transactions with owners	**73**	**57,238**	**0**	**0**	**0**	**57,311**
Equity at 30 September 2021	**1,946**	**1,926,135**	**1,332**	**1,502**	**(312,939)**	**1,617,977**

Statement of changes in equity

	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 October 2019	**1,662**	**1,660,716**	**(380)**	**2,888**	**(111,974)**	**1,552,912**
Loss for the year	0	0	0		(102,465)	(102,465)
Other comprehensive income	0	0	(349)	(3,579)	0	(3,928)
Total comprehensive income for the period	**0**	**0**	**(349)**	**(3,579)**	**(102,465)**	**(106,393)**
Transactions with owners in their capacity as owners						
Capital increase	211	208,181	0	0	0	208,392
Total transactions with owners	**211**	**208,181**	**0**	**0**	**0**	**208,392**
Equity at 30 September 2020	**1,873**	**1,868,897**	**(729)**	**(691)**	**(214,439)**	**1,654,910**

Consolidated cash flow statement

	Notes	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
		TDKK	TDKK
Loss for the year		(98,499)	(102,465)
Adjustments	27	367,542	323,435
Changes in net working capital	28	(33,851)	(2,622)
Net cash flow from operating activities before interest and taxes paid		**235,193**	**218,348**
Interests received		184	7,245
Interests paid		(188,660)	(187,023)
Income taxes paid	9	(16,674)	(20,117)
Net cash flow from operating activities after interest and taxes paid		**30,043**	**18,453**
Purchase of intangible assets	10	(18,487)	(1,915)
Purchase of property, plant and equipment	11	(16,265)	(21,585)
Payment for acquisition of subsidiary, net of cash acquired	21	(91,437)	(237,500)
Net cash flow from investing activities		**(126,189)**	**(261,000)**
Repayment of borrowings	24	0	(106,133)
Raising of credit institutions	24	26,961	298,596
Principal elements of lease payments	13	(34,527)	(29,206)
Cash capital increase		57,311	142,227
Cash flow from financing activities		**49,745**	**305,483**
Net cash flow for the year		**(46,401)**	**62,935**
Cash and cash equivalents, beginning of the year		220,479	160,380
Effects of exchange rate changes on cash and cash equivalents		(2,754)	(2,836)
Cash and cash equivalents at end of the year		**171,324**	**220,479**

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1. Accounting policies

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

Capnor Connery HoldCo A/S provides through its subsidiaries IT solutions, consultancy, and services to some of the largest private enterprises and public-sector organizations in the countries in which the Group is represented.

The Consolidated Financial Statements have been prepared under the historical cost convention, except for derivative financial instruments that are measured at fair value. The Consolidated Financial Statement are presented in Danish Kroner (DKK), as this is the Parent Company's functional currency. The financial statements have been rounded to the nearest thousand except when otherwise stated.

Reporting period

The reporting period for 2020/2021 and 2019/2020 cover the period 1 October to 30 September.

Basis of preparation

Change in accounting estimates due to new IFRS or IFRIC standards

No significant new IFRSs or IFRIC interpretations have been implemented in 2020/21 affecting the recognition and measurement in the Consolidated Financial Statements.

New standards not yet effective

There are no IFRSs or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Consolidated Financial Statements.

Basis of consolidation

The Consolidated Financial Statements include Capnor Connery HoldCo A/S and its direct and indirect subsidiaries (together, Group). Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

1. Accounting policies

Foreign currency translation

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

The results and financial position of foreign operations that have a functional currency different from the Group's presentation currency (DKK) are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income.

Cash flow hedges

The Group uses derivatives (foreign currency forward contracts) to hedge its exposure to foreign currency risk arising from its purchases of goods and services for resale denominated in USD. These derivatives are designated as cash flow hedges for the purpose of hedge accounting.

These derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as other receivables when the fair value is positive and as other payables when the fair value is negative.

Provided the cash flow hedge is effective, changes in the fair value of the hedging instrument are initially recognised in other comprehensive income and taken to the hedging reserve in equity. Any ineffective portion of the change in the fair value of the hedging instrument is recognised directly in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

1. Accounting policies

Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Revenue from contracts with customers

The Group 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 Group 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 stand-alone selling prices of each performance obligation are always directly observable.

The Group has concluded that it is the principal in its contracts with customers. Further details regarding this judgement have been provided in note 2 Critical accounting estimated and judgement.

The customer contracts do in general not include any variable consideration in the form of volume rebates, customer bonuses or price concessions.

Revenue from the sale of hardware

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.

1. Accounting policies

Revenue from the sale of software

The software sold by the Group are characterised as granting the customer a right-to-use the intellectual property as the customer contracts for the sale of software does not require the Group to undertake activities that significantly affect the license. The software sold by the Group has a significant stand-alone 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 the license key to the software is transferred to the customers.

Revenue from the sale of support services

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 Group 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.

Consultancy services

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 Group has a right to invoice which corresponds directly with the value to the customer of the Group'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 (production of completion method).

Expenses for materials and consumables

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

Other external expenses

Other external expenses comprise 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.

1. Accounting policies

Financial income and expenses

Financial income and exepenses are recognised in the income statements at the amounts that concern the financial year.

Interest expenses include interest on financial liabilities measured at amortised cost.

Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1. Accounting policies

Intangible assets

Goodwill

Goodwill is measured as described under the accounting policy for business combinations. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Customer contracts, acquired rigths, software and trademark

Separately acquired intangible assets are measured at historical cost. Customer relations, technology and trademark acquired through business combinations are recognised at fair value at the acqusition date. Except for trademarks, separately acquired intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Customer contracts	10-15 years
- Software	1-5 years
- Acquired rights	5 years
- Trademark	Infinite

Trademark with an indefinite useful life is not amortised, but is tested for impairment annually, or more frequently if events indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

1. Accounting policies

Property, plant and equipment

Property, plant, and equipment are measured at historical cost less accumulated depreciation. The cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciations are calculated using the straight-line method, net of their residual values over their estimated useful lives, as follows:

Land and buildings	1-13 years
Other fixtures and fittings, tools and equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss as other operating income/expenses.

Leases

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.

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 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.

1. Accounting policies

Impairment of non-current assets

Goodwill and intangible assets with an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade Receivables

Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

See note 15 for a description of the Group's impairment policies for trade receivables.

Prepayments

Prepayments recognised as an asset comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprises cash and bank balances.

Equity

Share capital

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

Share premium
Premium on issue of ordinary and preference shares are recognised as share premium.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity.The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Hedging reserve
The hedging reserve includes the cash flow hedge reserve and is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

1. Accounting policies

Dividends

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Financial liabilities

Borrowings are initally recognised at fair value which is generally proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other financial liabilities, including trade and other payables, are on initial recognition measured at fair value. The liabilities are subsequently measured at amortised cost.

Contract assets/ liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

If the Group transfers services or goods to the customer, before receiving payments, a contract asset is recognised when the services or goods are transferred to the customer.

Share-based payments

The share-based payment agreements of the Group are classified as equity-settled transactions, for which a cost is recognised in the income statement, with a corresponding increase in equity over the period in which the services are fulfilled.

The value of employee services is measured at grant date indirectly with reference to the fair value of the equity instruments granted.

Under the existing share-based payment agreements of the Group, the shares acquired by the employees are purchased on marked terms (i.e. no discounts or abnormal privileges have been afforded to the employees). As a result, no costs associated with the share-based payment agreements are to be recognised.

Further information about the share-based payment agreement is disclosed in note 5.

1. Accounting policies

Investments and other financial assets/ liabilities

The Group uses the fair value concept in connection with certain disclosure requirements and for the recognition of financial instruments. The fair value is defined as the price that can be obtained by selling an asset or that must be paid to transfer an obligation in an ordinary transaction between market participants ("exit price").

The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation technics based on observable inputs from active markets. For financial liabilities where the fair value is disclosed, the fair value is estimated by discounting future contractual cash flows at the current market interest rate.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing, and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt and principal element on lease payments as well as payments to and from shareholders.

Key Figures

The financial ratios have been calculated as follows;

Gross margin; Gross profit x 100 / Revenue

EBITDA ratio; EBITDA x 100 / Revenue

Normalized EBITDA ratio; EBITDA normalized x 100 / Revenue

Cash normalized EBTIDA ratio; Cash normalized EBITDA x 100 / Revenue

Return on assets; Profit before financials x 100 / Total assets

Solvency ratio; Equity at the year end x 100 / Total assets

Return on Equity; Net profit for the year x 100 / Average equity

2. Critical accounting estimates and judgements

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as many financial statement items that are associated with significant estimation uncertainty, must be estimated as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgments, estimates, and assumptions made are based on historical experience and factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates, and assumptions for the individual items are described below.

Critical accounting estimates

Customer relations - useful lives

As part of the acquisition of AX IV CON IV ApS at 30 April 2019, the acquisition of XevIT GmbH and Secoa AB in the year 2019/2020 and the acquisition of NET IT Service A/S, Credocom A/S, and Damecon B.V in the year 2020/2021 the Group identified customer relations as a separate intangible asset. On 30 September 2021, the carrying amount of customer contracts amounts to TDKK 784,939. The customer relations are amortised on a straight-line basis over their useful life. Management has estimated the useful lives of the customer relations to be between 5 - 15 years depending on the respective Group entity the customer relations are related to.

When estimating the useful lives management has considered among other the expected churn-rate of the customers. However, the actual useful life of the customer relations may be shorter or longer. The useful life of customer relations are reassessed annually.

Impairment test of goodwill and trademark

The Group annually tests whether goodwill and trademark has suffered any impairment, in accordance with the accounting policy stated in note 1.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

The estimates and assumptions are based on historical experience and other factors, such as management but as by nature it is uncertain and unpredictable. Due to the risks and uncertainties which the Group is subject to, actual outcomes may differ from the estimates made.

Goodwill and trademark amounts to DKK 2,658 million and DKK 60 million, respectively and no impairment losses has been recognised in the financial year 2020/2021. Information on the impairment tests, including critical asumptions are disclosed and described in note 10.

2. Critical accounting estimates and judgements

Critical accounting judgements

Recognising revenue as a principal

The Group has concluded that it is the principal in satisfying the performance obligations in all of its contracts with customers. As a result, the Group recognises revenue on a gross basis.

In determining that the Group acts a principal (rather than an agent) in satisfying its performance obligations, the Group has considered the nature of its promises with its customers. Management has assessed that the Group acts as a principle mainly due to the following circumstances:

- the Group is primarily responsible for fulfilling the promise to provide the specified good or service; and

- the Group has discretion in establishing the prices for the specified goods or services.

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK

3. Revenue from contracts with customers

The Group derives revenue from the following product lines.

Solution	2,011,718	1,712,215
Service	738,394	580,490
	2,750,112	**2,292,705**

The Group derives revenue in the following major geographical regions.

Denmark	1,060,806	872,636
Sweden	244,485	193,210
Norway	258,732	205,934
Netherlands	645,011	566,699
Slovenia	236,540	212,506
Germany	304,538	241,721
	2,750,112	**2,292,705**

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK

4. Employee costs

Wages and salaries	496,573	388,619
Defined contribution plans	43,691	36,067
Other social security costs	33,476	25,193
Other staff costs	4,734	3,617
	578,474	**453,495**
Average number of employees	852	709

Key Management Compensation

Key Management consists of the Executive Board, the Board of Directors and other key management. The compensation paid or payables to key management for employee services is shown below:

Executive Board and key management:		
Wages and salaries	6,993	5,843
Pension plans	334	290
Other social security costs	6	7
Total	**7,333**	**6,140**
Board of Directors:		
Board compensation	1,864	850
Total	**1,864**	**850**
Total compensation of key management personnel	**9,197**	**6,990**

5. Share-based payment plans

The Group 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 have 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.

The following table shows the shares acquired and outstanding at the beginning and end of the reporting period:

	Number of preference shares	Number of ordinary shares
As at 1 October 2020	8,419,757	8,244,810
Acquired during the year	5,196,845	2,143,425
As at 30 September 2021	**13,616,602**	**10,388,235**

	Number of preference shares	Number of ordinary shares
As at 1 October 2019	6,346,481	5,955,246
Acquired during the year	2,073,276	2,289,564
As at 30 September 2020	**8,419,757**	**8,244,810**

Because the shares acquired by the participants is at market terms, no costs related to the incentive program has been recognized because no compensation has been afforded. Accordingly, the incentive program has no effect on the income statement or equity.

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
6. Depreciation and amortisation		
Depreciation on property, plant and equipment	12,633	10,688
Depreciation on right-of-use assets	33,531	28,086
Amortisation on intangible assets	112,951	106,423
	159,114	**145,196**
7. Financial income		
Foreign exchange rate gains	0	7,027
Other financial income	184	218
	184	**7,245**
8. Financial expenses		
Foreign exchange rate losses	8,005	9,881
Interest on lease liabilities (Right-of-use assets)	3,800	3,470
Interest on financial liabilities	180,654	173,672
	192,459	**187,023**
9. Tax on profit for the year		
Current tax:		
Current tax on profits for the year	34,792	33,983
Current tax on profits for previous years	3,350	(1,500)
Deferred tax on profit for the year	(21,134)	(24,992)
Deferred tax on profit for previous years	(286)	(5,102)
	16,722	**2,389**
Calculated 22.0% tax on profit for the year before income tax	(17,991)	(22,017)
Tax effects of:		
Non-deductible expenses	1,704	2,897
Non-deductible interest	30,073	27,463
Tax related to previous years	3,064	(6,602)
Higher/lower tax rate in subsidiaries	(1,064)	1,512
Tax on other comprehensive income	936	(864)
	16,722	**2,389**
Effective tax rate	20%	2%

10. Intangible assets

	Acquired rights	Customer contracts	Goodwill	Software	Trademarks
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost:					
At 30 September 2020	**26,219**	**947,990**	**2,583,070**	**116,205**	**34,129**
Additions through business combinations	0	18,240	75,674	894	0
Additions during the year	2,860	0	0	15,626	0
Disposals during the year	(1,013)	0	0	0	0
Exchange difference	(9)	(53)	(664)	0	0
At 30 September 2021	**28,057**	**966,177**	**2,658,080**	**132,725**	**34,129**
Accumulated amortisation and impairment:					
At 30 September 2020	**10,966**	**103,261**	**0**	**32,925**	**0**
Amortisation for the year	7,703	77,977	0	27,271	0
Disposals during the year	(607)	0	0	0	0
Exchange difference	(5)	0	0	0	0
At 30 September 2021	**18,056**	**181,237**	**0**	**60,196**	**0**
Carrying amount 30 September 2021	**10,001**	**784,939**	**2,658,080**	**72,529**	**34,129**
Cost:					
At 30 September 2019	**23,070**	**871,372**	**2,390,554**	**116,205**	**34,129**
Additions through business combinations	1,252	76,565	155,174	0	0
Adjustment purchase price allocation previous year	0	0	36,677	0	0
Additions during the year	1,915	0	0		0
Disposals during the year	0	0	0	0	0
Exchange difference	(18)	53	663	0	0
At 30 September 2020	**26,219**	**947,990**	**2,583,069**	**116,205**	**34,129**
Accumulated amortisation and impairment:					
At 30 September 2019	**1,716**	**29,339**	**0**	**9,684**	**0**
Amortisation for the year	9,260	73,922	0	23,241	0
Disposals during the year	0	0	0	0	0
Exchange difference	(10)	0	0	0	0
At 30 September 2021	**10,965**	**103,261**	**0**	**32,925**	**0**
Carrying amount 30 September 2020	**15,254**	**844,729**	**2,583,069**	**83,280**	**34,129**

10. Intangible assets

Customer contracts

Customer contracts were acquired through business combinations in 2019, 2020 and 2021.They are recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line basis. As at 30 September 2021, the carrying amount of customer contracts was TDKK 784,939. The Group estimates the remaining useful life of the customer contracts to be 5 - 15 years.

Software

Software comprises of an asset management tool and was acquired through the business combination in 2019 of Conscia Group. They are recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line basis. As at 30 September 2021, the carrying amount of software was TDKK 60,039. The Group estimates the remaining useful life of the software to be 1 - 5 years.

Trademark

Trademarks are relating to the Conscia trademark and has a carrying amount of TDKK 34,129 as of 30 September 2021. Trademarks are not amortised, as the useful life is indefinite. The carrying amount of trademarks is mainly related to the Conscia brand, which is considered to have an indefinite useful life since there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows. Factors that played a significant role in determining that the Conscia brand has an indefinite useful life are: i) the Group’s strategy is based on the Conscia brand and ii) acquired trademarks are converted to or co-branded with the Conscia brand.

10. Intangible assets

Impairment tests of goodwill and trademark

The Group tests whether goodwill and trademark has suffered any impairment on an annual basis. For 2021, no impairment loss has been recognised.

On 30 April 2019, the Company acquired, through a wholly-owned subsidiary, 100% of the shares in AX IV CON ApS, including Consia A/S and its direct and indirects subsidiaries thus obtaining control of the business activities. During 2020/ 2021 the Group has acquired 100 % of the shares in NET IT Services A/S (Denmark), Credocom A/S (Denmark) and Damecon BV (Nederland) - see note 21 for furher details.

Goodwill related to the three acquisition amounted to TDKK 75,674.

Goodwill and trademarks are monitored by Management at the level of the countries of operation of the Group (cash generating units). As of 30 September 2021, the carrying amount of goodwill and trademarks, respectively, allocated to each cash generating units is shown below:

	30 September 2021		30 September 2020	
	Trademarks	Goodwill	Trademarks	Goodwill
Cash-generating unit:	TDKK	TDKK	TDKK	TDKK
Denmark	34,129	959,954	34,129	917,068
Sweden	0	413,044	0	413,408
Norway	0	255,383	0	255,683
Netherlands	0	676,302	0	643,514
Slovenia	0	218,793	0	218,793
Germany	0	134,604	0	134,604
Total	**34,129**	**2,658,080**	**34,129**	**2,583,070**

Goodwill and trademark have been tested on each identified cash-generating unit. The Group has six separate cash-generating units, represented by the geographical areas where the Group operates - Denmark, Sweden, Norway, Netherlands, Germany and Slovenia.

The Group tests whether goodwill and trademark have suffered any impairment on an annual basis. The recoverable amount of each cash generating unit is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the entity operates.

Key assumptions, long term growth rates and discount rates used in the value-in-use calculations are as follows:

10. Intangible assets

Assumptions at 30 September 2021

	Average sales growth from 2022 to 2026 (%)	Average EBITDA Margin (%)	Marginal tax rate (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Denmark	6.5	10.1	22.0	1.5	9.8
Sweden	13.5	9.2	20.6	1.5	10.0
Norway	19.4	7.8	22.0	1.5	10.4
Netherlands	8.6	18.1	25.0	1.5	10.0
Slovenia	9.5	14.3	21.0	1.5	10.4
Germany	9.6	9.0	25.0	1.5	9.8

Assumptions at 30 September 2020

	Average sales growth from 2021 to 2025 (%)	Average EBITDA Margin (%)	Marginal tax rate (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Denmark	7.0	9.4	22.0	1.5	10.3
Sweden	22.0	9.5	21.0	1.5	10.5
Norway	19.0	6.5	22.0	1.5	10.3
Netherlands	10.0	15.4	25.0	1.5	10.5
Slovenia	22.0	9.5	21.0	1.5	11.3
Germany	10.0	15.9	25.0	1.5	10.4

Description of assumptions

Average sales growth is the average annual growth rate over the budget period, which is based on past performance and Management's expectations of market development.

Projection of the revenue is based on existing and new sales and whether this supports the Group's operation. New sales is based on historic growth combined with Conscia's current pipeline and the expectation of a general increase in existing market.

EBITDA margin is the average margin as a percentage of revenue over the budget period. It is based on the current sales margin levels and expectations to sales mix and the expectation that the budgeted increasing level of activity will have a positive spill-over effect on the Group's EBITDA margin.

The average EBITDA margin in percent is different between countries due to whether goods, service contract or a total enterprise contract are provided. The composition of the products sold affects the individual country's EBITDA margin.

The increasing focus on the Service business will contribute to an increasing margin.

Marginal tax rate is the expected rate over the five-year forecast period. It is based on each Country's current tax rate.

Sensitivity to changed assumptions

The calculated value in use of each cash-generating unit is considerably higher than the carrying amount, and the prepared impairment tests shows that goodwill and trademark are not impaired. In Management's opinion, no reasonable likely change to the above-mentioned assumptions will imply that the carrying amount of each cash-generating unit will exceed the value in use significantly.

11. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Assets under construction
Cost:		
At 30 September 2020	**42,667**	**16,053**
Additions through business combinations	3,492	0
Additions during the year	15,002	1,264
Disposals during the year	(3,886)	0
Exchange adjustment	(58)	(22)
Transfers for the year	17,294	(17,294)
At 30 September 2021	**74,510**	**0**
Accumulated depreciation:		
At 30 September 2020	**12,188**	**0**
Depreciation for the year	12,633	0
Disposals for the year	(2,952)	0
Exchange adjustment	(51)	0
At 30 September 2021	**21,817**	**0**
Carrying amount 30 September 2021	**52,693**	**0**
Cost:		
At 1 October 2019	**30,028**	**0**
Additions through business combinations	2,048	0
Additions during the year	13,249	16,103
Disposals during the year	(2,447)	0
Exchange adjustment	(212)	(51)
At 30 September 2020	**42,667**	**16,053**
Accumulated depreciation:		
At 1 October 2019	**3,975**	**0**
Depreciation for the year	10,688	0
Disposals for the year	(2,339)	
Exchange adjustment	(136)	0
At 30 September 2020	**12,188**	**0**
Carrying amount 30 September 2020	**30,479**	**16,053**

12. Deferred tax

	30 September 2021	30 September 2020
	TDKK	TDKK
Deferred tax at 1 January	(191,622)	(203,561)
Additions through business combinations	(4,972)	(23,418)
Deferred tax recognised in the statement of profit or loss	21,134	30,094
Adjustment prior year	286	5,260
Exchange adjustment	1,122	3
Deferred tax at 30 September	**(174,052)**	**(191,622)**
Deferred tax relates to:		
Intangible assets	(206,199)	(223,017)
Property, plant and equipment	(1,762)	(1,875)
Right-of-use assets	2,210	(149)
Contract assets and liabilities	(168)	584
Borrowing costs	8,124	1,135
Income for later taxation	305	0
Tax on loss carry forward	0	1,313
Deferred income	23,439	30,387
	(174,053)	**(191,622)**
Of which presented as deferred tax assets	0	1,313
Of which presented as deferred tax liabilities	(174,053)	(192,935)
	(174,053)	**(191,622)**

In 2019/2020, the Group had a deferred tax asset of TDKK 1,313 related to tax on loss carry forward. In the year 2020/2021, the Group has used the tax loss carry forward.

13. Leases (Right-of-use assets)

The Group has recognised the following amounts relating to leases:

	30 September 2021 TDKK	30 September 2020 TDKK
Right-of-use assets		
Properties	84,418	74,873
Cars	30,328	27,655
	114,746	**102,528**
Lease liabilities		
Current	31,365	27,402
Non-current	86,266	75,805
	117,631	**103,207**

Additions to the right-of-use assets during the 2020/2021 financial year were TDKK 45,611 (2019/2020: TDKK 28,196).

Depreciation charge of right-of-use assets	1 October 2020 to 30 September 2021 TDKK	1 October 2019 to 30 September 2020 TDKK
Properties	15,903	13,342
Cars	17,627	14,743
	33,531	**28,086**
Interest expense (included in financial expenses)	3,800	3,470
Total cash outflow from leases	34,527	29,206

The Group leases various properties and cars.

Most car leases have a lease term of 12 - 36 months. Most property leases are perpetual and may be cancelled by either the Group or the lessor at any point after the non-cancellable period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

14. Inventories

	30 September 2021	30 September 2020
	TDKK	TDKK
Finished goods and goods for resale	56,044	66,675
Total inventories	**56,044**	**66,675**
Impairment losses for the year	3,219	5,718
Reversed impairment losses for the year	(2,736)	(4,860)

15. Trade receivables

	30 September 2021	30 September 2020
	TDKK	TDKK
Trade receivable carring amount	492,291	314,757
Less provision for impairment of trade receivables	(837)	0
Trade receivables net	**491,453**	**314,757**

Trade receivables are non-interest bearing and are generally due for settlement within 30 days and therefore are all classified as current.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract asset.

When determining the expected credit loss rates supportable information about past events as well as current and future economic conditions are considered. The historical credit losses experienced in previous years are insignificant. Adjusting the historical loss rates to reflect current information and Management's expectations about forward-looking information affecting the customers' ability to settle the receivables, the Group has determined the expected credit loss as of 30 September 2021 to be insignificant.

The Group's gross carrying amount - trade receivables are due as follows:

	30 September 2021	30 September 2020
	TDKK	TDKK
Current	393,007	279,039
More than 1 day past due	64,102	77,968
More than 30 days past due	17,286	19,790
More than 60 days past due	6,799	5,231
More than 90 days past due	11,097	2,940
Total	**492,291**	**384,967**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, when no dividend is expected to be received from a debtor's bankruptcy estate.

Further information about the Group's credit risk related to trade receivables are provided in note 19.

16. Contract balances

The Group has recognised the following assets and liabilities related to contracts with customers:

	30 September 2021	30 September 2020
	TDKK	TDKK
Contract assets		
Trade receivables	491,453	384,967
Contract assets	78,384	74,638
Contract liabilities		
Prepayments from customers	27,860	75,613
Deferred income	255,152	221,224

Deferred income is the accrual of service contracts to customers with a contract period from 1 to 5 years where the Group has an ongoing delivery obligation to the customer.

Prepayments from customers relate to projects where the Group not yet has started the project, project start will take place within the coming year.

The increase in trade receivables and deferred income is related to the business combination during the year - Net IT Service A/S, Credocom A/S and Damecon B.V. With the acquisitions trade receivables increased by TDKK 44,451 and deferred income increased by TDKK 6,757.

In addition to acquisitions of new companies, the Group has experienced continued organic growth in revenue throughout the year, with previous years' acquisitions of companies contributing to this growth. The growth in revenue has led to an increase in debtors.

The decrease in prepayment from customers of MDKK 47.7 is due to the fact that in the financial year 2019/2020, several large prepayments were received on projects starting in the financial year 2020/2021.

Of the total balance of prepayment from customers and deferred income as at 30 September 2021, TDKK 188,457 is expected to be recognised as revenue within less than 1 year, and TDKK 94,555 within 1-5 years.

As of 30 September 2021, the Group has a total order backlog of MDKK 495 (2019/2020: MDKK 374) which is expected to be delivered within the coming financial year.

17. Share capital

	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Number of shares	Number of shares	Nominal value TDKK	Nominal value TDKK
The share capital comprise:				
A shares (ordinary shares) - fully paid	39,800,000	37,600,000	398,000	376,000
B shares (preference shares) - fully paid	154,800,000	149,700,000	1,548,000	1,497,000
Share capital	**194,600,000**	**187,300,000**	**1,946,000**	**1,873,000**

All shares have nominal value of DKK 0.01 and carries one vote.

The shares are non-negotiable instruments. Any transfer of shares are subject to consent of the Board of Directors.

The shareholders agreement gives the B-shares carries a right of a preferred return of 10-12% per year. Holders of A-shares are only entitled to receive dividend when the preferred dividend on the B-shares have been fully paid.

	A-shares		B-shares	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Changes in share capital	TDKK	TDKK	TDKK	TDKK
Opening balance	376	327	1,497	1,335
Capital increase	21	49	52	162
	398	**376**	**1,548**	**1,497**

18. Borrowings

The borrowings comprise of acquisition related loans as well as revolving facility to fund the ongoing operations. There are covenants attached to the loan facilities.

30 September 2021	Interest rate	Effective interest rate	Currency	Maturity	Carrying amount
					TDKK
Loan from credit institution	Variable	7.6 %	DKK, EUR, NOK, SEK	30 April 2026	1,759,118
Revolving Facility	Variable	3.2 %	DKK	30 April 2025	80,000
Other credit institutions	Variable	2.8-4,1 %	DKK, USD, EUR, NOK, SEK	30 April 2025	150,274
Total borrowings					**1,989,392**

Loan from credit institution, Revolving Facility and other credit insitutions are loans without repayment until maturity.

30 September 2020	Interest rate	Effective interest rate	Currency	Maturity	Carrying amount
					TDKK
Loan from credit institution	Variable	7.6 %	DKK, EUR, NOK, SEK	30 April 2026	1,740,911
Revolving Facility	Variable	3.2 %	DKK	30 April 2025	80,000
Other credit institutions	Variable	2.8-3.7 %	DKK, USD, EUR, NOK, SEK	30 April 2025	141,520
Total borrowings					**1,962,431**

Loan from credit institution and Revolving Facility are loans without repayment until maturity.

19. Financial risk management

Financial risk factors

The Group’s financial liabilities comprise borrowings, leases and trade, and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s financial assets include trade and other receivables and cash and cash equivalents. The Group also enters into derivative transactions for the purpose of hedging its exposure to foreign currency risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group is exposed to market risk (interest rate and foreign exchange rate), credit risk and liquidity risk. The Group's Management oversees the management of these risks on an ongoing basis and responds to those risks as appropriate.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Due to the currently low market interest rate level, it is the Group's policy not to hedge its exposure to change in interest rates.

Management is aware of exposure to rising interest rates and accepts the risk, as management assesses the risk is low at present.

Sensitivity:

Profit or loss and equity is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	Impact on post tax profit and equity	
	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
Interest rates - increase by 100 basis points	20,159	21,526
Interest rates - decrease by 100 basis points	0	0

The impact presented in the above sensitivity analysis is based on the financial assets and financial liabilites recognised as of 30 September 2021. The analysis does not consider the impact from repayments, proceeds etc. related to the borrowings. Management considers the sensitivity analysis to be based on reasonably possible current market conditions.

19. Financial risk management

Foreign currency risk:
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a foreign currency different from the respective entity's functional currency).

The Group's exposure to foreign currency is primarily related to USD, as the majority of the Group's purchases of goods and services for resale are denominated in USD.

The Group uses foreign currency forward contracts to hedge its exposure to foreign currency risk arising from its purchases of goods and services for resale denominated in USD. The Group hedges the following currency, SEK, DKK, NOK, and EUR against USD according to the Group's foreign currency risk policy. The foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable.

Accordingly, it is the Group's policy to hedge its exposure to foreign currency risk arising from its purchases of goods and services for resale denominated in USD, see further below. Considering those hedges, the Group's exposure on USD purchases is considered insignificant.The Group is further exposed to foreign currency risks from receivables denominated in EUR and USD. However, the Group's financial instruments denominated in EUR only create a limited exposure to the Group due to the fixed DKK/EUR exchange rates. The Group is further exposed to minor foreign currency risks from financial instruments denominated in SEK and NOK against DKK. Group Management does however find that exposure immaterial.

Sensitivy:
The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates for currency forward contracts for operating activities. Foreign currencies are translated at the exchange rate on the balance sheet date on 30.09 for resp. 2021 and 2020. With all other variables held constant, the Group's profit is affected as follows:

	Forward currency contracts hedging contracts impact on post tax profit	
	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
DKK/USD exchange rate - increase 10%	10,991	11,187
DKK/USD exchange rate - decrease 10%	(10,991)	(11,187)

The impact presented in the above sensitivity analysis is based on the financial assets and financial liabilites recognised as of 30 September 2021. All hedging relationships are assumed to be 100% effective.

Management considers the sensitivy analysis to be reasonably possible based on the current market conditions.

19. Financial risk management

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

The Group's primary credit exposure is related to trade receivables and cash positions. The Group has no major exposure relating to one single customer or business partner.

The Group has established procedures for handling the credit risk to limit the risks and loss on receivables. Historically, losses on receivables are at a very low level.

There is an economic relationship between the hedged items and the foreign currency forward contracts as the terms of the hedging instruments match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the foreign currency forwards are denominated in the same currency as the highly probable future purchases of goods and services.

The group has the following derivative financial instruments in the following line items in the balance sheet:

	30 September 2021	30 September 2020
	TDKK	TDKK
Current derivatives		
Carrying amount of foreign currency forwards and swaps - cash flow hedges.	1,572	(1,113)
Nominal amount		
DKK/USD	44,038	30,481
EUR/USD	40,497	47,812
NOK/USD	25,371	33,580
Average transactions rate		
USD/ DKK	6.42	6.36
EUR/ DKK	7.44	7.45
NOK/ DKK	0.73	0.67

The hedged amount for foreign currency are below one year.

See below for the movements in the Group's hedging reserve:

	Total hedge reserve
Opening balance 1 October 2020	(1,113)
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	1,503
Reclassified from OCI to profit or loss	491
Closing balance 30 September 2021	**881**

19. Financial risk management

Liquidity risk

Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve, comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows.

Management monitors each month their cash flow of expected cash flow for the coming period. Current liquidity and the expected cash flow in the coming months are reported to the Board of Directors in the monthly reporting. The report to the Board of Directors presents the development of working capital and comments. Management continuously focuses on their working capital in order to continuously optimize it.

This is generally carried out at the local level in the operating companies of the group, in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group has a undrawn facility at MDKK 108 (2020: MDKK 130).

Maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments, based on the current interest rate). Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
	TDKK	TDKK	TDKK	TDKK
As at 30 September 2021				
Non-derivatives				
Borrowings	158,392	2,469,717		2,628,109
Lease liabilities	31,365	56,614	29,653	117,631
Trade payables	249,219	0	0	249,219
Other payables	208,086	2,832	0	210,917
	647,062	**2,529,163**	**29,653**	**3,205,877**
Derivatives				
Forward currency contracts (liability)	1,572	0	0	1,572

19. Financial risk management

	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
	TDKK	TDKK	TDKK	TDKK
As at 30 September 2020				
Non-derivatives				
Borrowings	141,622	784,252	1,807,518	2,733,392
Lease liabilities	27,402	42,325	33,480	103,207
Trade payables	197,914	0	0	197,914
Other payables	198,550	2,357	0	200,908
	565,488	**828,935**	**1,840,998**	**3,235,421**
Derivatives				
Forward currency contracts (liability)	(1,113)	0	0	(1,113)

	30 September 2021	30 September 2020
Financial assets and liabilities per measurement category	TDKK	TDKK
Derivatives		
Financial assets and liability (-) at fair value		
Forward currency contracts	1,572	(1,113)
	1,572	**(1,113)**
Financial assets		
Financial assets at amortised cost:		
Trade receivables	491,453	384,967
Receivables from associates	1,296	0
Cash and cash equivalents	171,324	220,479
	664,074	**605,446**
Financial liabilities		
Liabilities at amortised cost:		
Borrowings (current and non-current)	1,989,392	1,962,431
Lease liabilities (current and non-current)	117,631	103,207
Payables to associates	0	100
Trade payables	249,219	197,914
	2,356,242	**2,263,652**

19. Financial risk management

Measurement and fair value hierarchy
The fair value of forward currency contracts (level 2) is determined using valuation techniques which maximise the use of observable market data. The present value of future cash flows are based on the forward exchange rates at the balance sheet date.

For currency hedging of the future purchase of goods in USD, the Group has entered into forward exchange contracts of total TDKK 109,907. Compared to forward prices at the Group balance date, the contracts have a fair value of TDKK 1,572. The unrealised gain is recongnized in the equity.

The borrowings amounts to TDKK 2,107,022 (level 3). The carrying value of financial liabilities measured at amortised cost is not considered to differ significantly from fair value.

For all other financial instruments, not measured at fair value, the fair value approximates their carrying amount.

20. Capital management

The Group´s objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital

During 2021/2022, the Group´s strategy is to maintain a net debt / EBITDA below 7.

In 2020/2021 the Group was able to maintain their strategy to keep net debt / EBITDA below 7.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covernant:

- The consolidated net debt* divided by the EBITDA for the last twelve months, must not be higher than 11.

*Net debt definition: Loans minus cash in hand.

The Group has complied with this covenant throughout the reporting period.

21. Business combinations

Acquisition of NET IT Service A/S, Credocom A/S and Damecon B.V.
During 2020/ 2021 Capnor Connery Holdco A/S acquired throught its wholly owned subsidiaries 100% of the issued share capital of NET IT Service A/S (acquired 6 October 2020), Credocom A/S (acquired 1 November 2020) in Denmark, and Damecon Group B.V. (acquired 1 October 2020) in the Netherlands. All companies provide IT solutions, consultancy and services in the countries in which the Group is represented. The acquisitions are important to bring Conscia closer to the position as one of Europe's leading security and IT infrastructure partner.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

The assets and liabilities recognised as a result of the acquisitions are as follows:

Fair value	**NET IT Service A/S**	**Credocom A/S**	**Damecon B.V**	**Total**
	TDKK	TDKK	TDKK	TDKK
Cash	1,677	12,298	5,723	19,698
Trade receivables	4,070	36,236	4,145	44,451
Inventories	0	1,301	0	1,301
Plant and equipment	0	1,448	2,044	3,492
Prepayments	0	1,347	0	1,347
Other receivables	21	845	358	1,224
Intangible assets: Customer contracts	1,943	7,212	9,084	18,239
Intangible assets: Software	0	0	894	894
Lease liabilities	0	(1,015)	(1,165)	(2,180)
Trade payables	(99)	(27,261)	(1,599)	(28,959)
Deferred tax liability	(1,040)	(1,471)	(2,461)	(4,972)
Deferred income	0	(6,757)	0	(6,757)
Income tax paybles	0	(1,007)	(934)	(1,941)
Other payables	(1,012)	(8,003)	(1,361)	(10,376)
Net identifiable assets acquired	**5,560**	**15,173**	**14,728**	**35,461**
Goodwill	9,103	33,783	32,788	75,674
Net assets acquired	**14,663**	**48,956**	**47,516**	**111,135**
Cash flow from acquisition:				
Consideration paid	14,663	48,956	47,516	111,135
Less cash received	(1,677)	(12,298)	(5,723)	(19,698)
	12,986	**36,658**	**41,793**	**91,437**

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

The fair value of acquired trade receivables is 44,451 TDKK which in all material respects corresponds to the gross contractual amount on acquisition.

21. Business combinations

The three acquired businesses contributed revenues and net profit of:

Revenue for time of ownership
NET IT Service A/S: 4,630 TDKK for the period 06.10.2021-30.09.2021
Credocom A/S: 170,168 TDKK for the period 01.11.2020-30.09.2021
Damecon B.V: 30.962 TDKK for the period 01.10.2020-30.09.2021

Net profit for time of ownership
NET IT Service A/S: 860 TDKK for the period 01.01.2020 -30.09.2020
Credocom A/S: -1,678 TDKK for the period 01.11.2020-30.09.2021
Damecon B.V: 6,936 TDKK for the period 01.10.2020-30.09.2021

If the acquisition had occurred on 1 October 2020, consolidated pro-forma revenue and profit for the year ended 30 September 2021 would have been:

Revenue full year
NET IT Service A/S: 4,630 TDKK for the period 01.10.2020-30.09.2021
Credocom A/S: 188,842 TDKK for the period 01.10.2020-30.09.2021
Damecon B.V: 30.962 TDKK for the period 01.10.2020-30.09.2021

Net profit full year
NET IT Service A/S:860 TDKK for the period 01.10.2020-30.09.2021
Credocom A/S: -1,647 TDKK for the period 01.10.2020-30.09.2021
Damecon B.V: 6,936 TDKK for the period 01.10.2020-30.09.2021

Acquisition-related costs of 2,953 TDKK are included in other external expenses in the income statement.

The above figures for the individual companies are the management's best estimate, as the companies have been merged into Conscia Nederland BV and Conscia Danmark A / S, respectively.

22. Commitments and contingent liabilities

Charges and security

As security for borrowings and Group companies' bank commitments, security in shares for the Group companies - Capnor Connery MidCo A/S, Capnor Connery BidCo A/S, AX IV Con ApS, Conscia A/S, Conscia Danmark A/S, Conscia Nederland B.V, Conscia Sverige AB, Conscia Norge AS, NIL Skupina d.o.o, xevIT GmbH and Secoa AB have been issued.

Furthermore Capnor Connery HoldCo A/S has provided a share pledge agreement and guarantees for all of the subsidiaries' bank debt.

23. Fee to auditors appointed at the general meeting

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
Audit fee to PwC	2,006	1,324
Other assurance engagements	1,866	4,051
Tax advisory services	96	308
	3,968	**5,683**

24. Changes in liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented.

2020/2021	1 October 2020	Business combinations	Repayment	New loan/ leasing	30 September 2021
	TDKK	TDKK	TDKK	TDKK	TDKK
Current and non-current borrowings	**1,962,431**	0	0	26,961	**1,989,392**
Current and non-current lease liabilities	**103,207**	2,180	(34,527)	46,771	**117,631**
Total liabilities from financing activities	**2,065,638**	**2,180**	**(34,527)**	**73,732**	**2,107,023**

2019/2020	1 October 2019	Business combinations	Repayment	New loan/ leasing	30 September 2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Current and non-current borrowings	**1,769,968**	0	(106,133)	298,596	**1,962,431**
Current and non-current lease liabilities	**102,614**	7,397	(29,206)	22,402	**103,207**
Total liabilities from financing activities	**1,872,582**	**7,397**	**(135,339)**	**320,998**	**2,065,638**

25. Related parties

NC CONNERY, L.P, acting by its general partner, NC CONNERY GP LIMITED, holds more than 5% of the shares in Capnor Connery HoldCo A/S and controls the Company.

The Group's structure is set out in the Management's Review.

Information about Management's remuneration has been disclosed in note 4 and 5. The Group had the following transactions with related parties during the year:

Transactions with NC Connery GP Limited:

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
Capital increase	0	100,847
Consulting and service	26	117
Transactions with key management		
Purchase of shares	20,115	1,000
Sale of shares	29,610	0

26. Events after the balance sheet date

Acquisition of RedLogic B.V.

On 1 October 2021, Conscia signed an agreement to acquire 100% of the shares in Redlogic B.V. paid in cash and shares at a total value of MDKK 84,8.

The agreement was approved by RedLogic and Conscia shareholders and the payment of the acquisition was transferred on 15 October 2021, from which date Conscia achieved control and the acquisition was effective from that date. As a consequence of submission and approval of the annual report for 2020/21 is close to the closing date of acquisition of RedLogic, the preparation of the purchase price allocation in accordance with IFRS 3 is in progress, but not finalised. Therefore, opening balances, total consideration, acquired receivables, contingent liabilities, goodwill and profit and loss effects have not been disclosed within the context of these Financial Statements.

About RedLogic B.V.
RedLogic is a IT Infrastructure Solutions provider, mainly focused on Networking and Hybrid Cloud in a strong partnership with VMware. RedLogic was founded in 2012 and today has 22 employees and a turnover of MDKK 44.7 last year.

Strategic synergies
RedLogic will become part of the Group. The acquisition is an important step into VMware and brings Conscia closer to the position as one of Europe's leading security and IT infrastructure partner with focus on Cisco technology.

Other events
No other events have occurred after the end of the reporting period that influence the evaluation of the Consolidated Financial Statements.

27. Cash flow statement - adjustments

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
	TDKK	TDKK
Financial income	(184)	(7,245)
Financial expenses	192,459	187,023
Tax on profit/loss for the year	16,722	2,389
Other adjustmenst	(568)	(3,928)
Depreciation and amortisation	159,114	145,196
	367,542	**323,435**

28. Changes in net working capital

	30 September 2021	30 September 2020
	TDKK	TDKK
Change in trade receivables	(62,036)	4,911
Change in contract assets	(3,746)	(37,997)
Change in prepayments	12,385	(18,905)
Change in inventories	11,932	(11,425)
Change in other receivables	8,900	21,822
Change in other payables	(366)	18,949
Change in prepayments	(47,753)	4,681
Change in trade payables	22,347	(11,680)
Change in deferred income	27,171	22,208
Change in derivatives	(2,685)	4,815
	(33,851)	**(2,622)**

29. List of group companies

The Group's subsidiaries at 30 September 2021 are set out below:

	Type	Place of incorporation	Ownership interest
Capnor Connery MidCo A/S	Subsidiary	Brøndby, Denmark	100%
Capnor Connery BidCo A/S	Subsidiary	Brøndby, Denmark	100%
AX IV CON ApS	Subsidiary	Brøndby, Denmark	100%
Conscia A/S	Subsidiary	Brøndby, Denmark	100%
Conscia Danmark A/S	Subsidiary	Brøndby, Denmark	100%
Conscia Sverige AB	Subsidiary	Stockholm, Sweden	100%
Secoa AB	Subsidiary	Uppsala, Sweden	100%
Conscia Norge AS	Subsidiary	Oslo, Norway	100%
Conscia Nederland B.V.	Subsidiary	Gouda, Nethersland	100%
NIL Podatkovne komunikacije, d.o.o.	Subsidiary	Ljubljana, Slovenia	100%
xevIT GmbH	Subsidiary	Ettlingen, Germany	100%
Sigeso GmbH	Subsidiary	Ettlingen, Germany	100%
Conscia U.S. Inc.	Subsidiary	Delaware, US	100%

Parent Company

Statement of profit or loss

	Note	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
		TDKK	TDKK
Other external expenses		(1,036)	(798)
Gross profit		**(1,036)**	**(798)**
Profit/loss before net financials		**(1,036)**	**(798)**
Financial income	3	15,486	6,911
Financial expenses	4	(141)	(298)
Profit/loss before tax		**14,309**	**5,815**
Income tax expenses	2	(4,666)	(1,279)
Profit/loss for the year		**9,643**	**4,536**

Balance sheet

	Note	30 September 2021	30 September 2020
		TDKK	TDKK
Investments in subsidiaries	3	1,704,600	1,704,600
Total non-current assets		**1,704,600**	**1,704,600**
Receivables from group entities		233,506	171,873
Corporation tax receivable from group enterprises	2	10,631	12,808
Cash and cash equivalents		1,969	851
Total current assets		**246,105**	**185,532**
Total assets		**1,950,705**	**1,890,132**

Balance sheet

	Note	30 September 2021	30 September 2020
		TDKK	TDKK
Share capital		1,946	1,873
Share premium		1,926,135	1,868,897
Retained earnings		14,061	4,418
Total equity		**1,942,142**	**1,875,188**
Corporation tax		8,368	14,054
Other payables		195	890
Total current liabilities		**8,563**	**14,944**
Total liabilities		**8,563**	**14,944**
Total equity and liabilities		**1,950,705**	**1,890,132**

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 October 2020	**1,873**	**1,868,897**	**4,418**	**1,875,188**
Capital increase	73	57,238	0	57,311
Profit for the year	0	0	9,643	9,643
Equity at 30 September 2021	**1,946**	**1,926,135**	**14,061**	**1,942,143**

Notes

1. Accounting policies
2. Tax on profit for the year
3. Investments in subsidiaries
4. Distribution of profit
5. Contingent assets, liabilities and other financial obligations

1. Accounting policies

The separate financial statements for Capnor Connery Holdco A/S ("the Company") of the Group has been prepared in accordance with the Danish Financial Statements Act applying to enterprises of reporting class C (large).

'The Parent Company Financial Statements for 2020/2021 are presented in Danish kroner (TDKK).

'The accounting policies applied remain unchanged from last year.

Recognition and measurement

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 Parent Company have not prepared a cash flow statement.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including 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 Parent 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 Parent 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.

Other external expenses

Other external expenses comprise costs for , administration, etc.

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.

1. Accounting policies

Investments in subsidiaries

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

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.

	1 October 2020 to 30 September 2021	1 October 2019 to 30 September 2020
2. Tax on profit for the year	TDKK	TDKK
Current tax:		
Current tax on profits for the year	3,317	1279
Current tax on profits for previous years	1,349	0
	4,666	**1,279**

	30 September 2021	30 September 2020
3. Investments in subsidiaries	TDKK	TDKK
Cost at	1,704,600	1,638,434
Additions for the year	0	66,166
Disposals for the year	0	0
Cost at	**1,704,600**	**1,704,600**
Carrying amount at	**1,704,600**	**1,704,600**

	30 September 2021	30 September 2020
4. Distribution of profit		
Retained earnings	**9,643**	**4,536**

5. Contingent assets, liabilities and other financial obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group. 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.