Capnor Connery HoldCo A/S
Annual report for
1 October 2021 – 30 September 2022

Connery Capnor HoldCo A/S
c/o Conscia AS
Kirkebjerg Parkvej 9, 2. sal, 2605 Brøndby
CVR 39 01 89 77

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 November 2022

Chair of the meeting

Jacob Bryde Christensen

Content

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Watch our brand movie here.

→ conscia.com/about-us/

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: 5th financial year
Financial period: 1 October 2021 - 30 September 2022

Auditors

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

Executive Board

Erik Gunnar Bertman
Jacob Bryde Christensen

Board of Directors

Morten Marc Hübbe (Chairman)
Sissle Fjelsted Rasmussen
Jess Ørgaard Libak Tropp
Emil André Schacher
Anne Sophie M Lotgering

Key figures

tDKK	30 September 2022	30 September 2021	30 September 2020	30 September 2019	31 December 2018
INCOME STATEMENT	12 months	12 months	12 months	9 months*	15 months
Revenue	3,276,594	2,750,112	2,292,705	790,626	0
Gross profit	920,663	848,085	678,393	160,506	0
EBITDA	286,049	269,612	224,898	6,093	0
Normalized EBITDA**	351,441	308,912	257,314	63,356	0
Result before financial items	115,927	110,498	79,702	(47,247)	0
Net financials	(194,474)	(192,275)	(179,778)	(68,787)	0
Result for the period	(98,636)	(98,499)	(102,465)	(111,974)	0
BALANCE SHEET					
Total assets	4,941,089	4,658,064	4,615,642	4,237,143	50
Addition property, plant and equipment	15,799	16,265	29,353	3,703	0
Equity	1,557,974	1,617,977	1,654,910	1,552,912	50
CASH FLOW					
Cash flow from operating activities	5,234	30,043	18,453	(90,671)	0
Cash flow from investing activities	(84,929)	(126,189)	(261,000)	(1,999,423)	0
Cash flow from financial activities	42,689	49,745	305,483	2,250,473	0

	30 September 2022	30 September 2021	30 September 2020	30 September 2019	31 December 2018
FINANCIAL RATIO (%)	12 months	12 months	12 months	9 months*	15 months
Revenue growth	19%	20%	-	-	-
Gross margin	28%	31%	30%	20%	0%
EBITDA ratio	9%	10%	10%	1%	0%
Normalized EBITDA ratio	11%	11%	11%	8%	0%
Return on assets	2%	2%	2%	-1%	0%
Solvency ratio	32%	35%	36%	37%	100%
Return on equity	-6%	-6%	-6%	-7%	0%
OTHER					
Average number of employees (FTE)	907	852	709	526	0

Financials FY 2022

19%
Revenue growth in all materiality due to organic growth

3.277m
Revenue (DKK)

14%
Normalized EBITDA growth in all materiality due to organic growth

351m
Normalized EBITDA (DKK)

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 items.

Management's Review

Description of the company

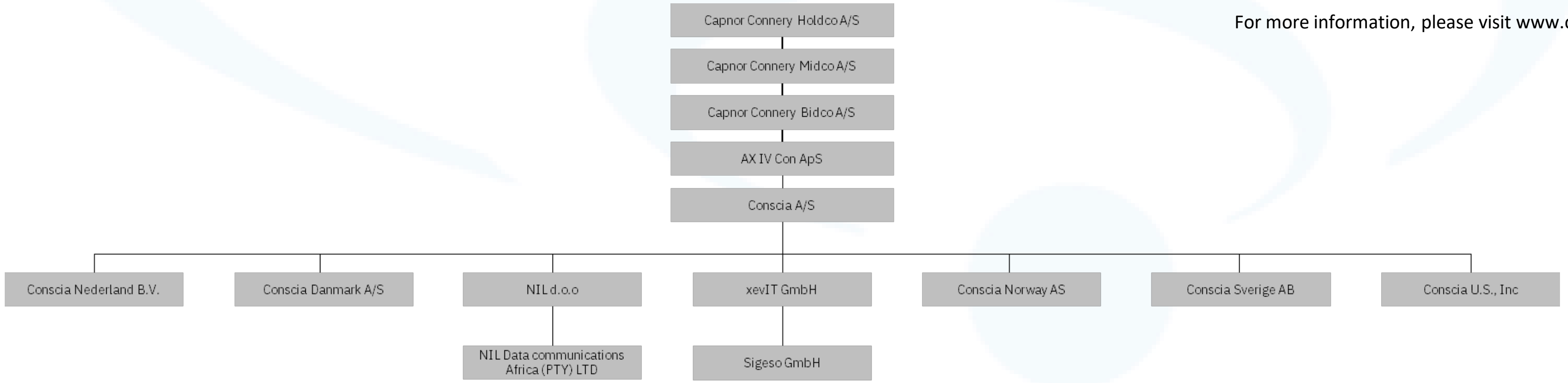
The main activities of Capnor Connery Holdco A/S (the "Company" or the "Parent Company") consist of owning the Conscia group, including its direct and indirect subsidiaries (the "Group"), and capital shares of the affiliated companies.

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 26%.

As of 30 September 2022, Conscia had 952 employees, an increase of 10 % (88 employees) since September 2021. 733 employees (77%) are located outside Denmark.



Conscia in brief

Conscia is a leading European IT specialist in networking, cybersecurity, 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 almost 1000 employees serving some of the largest organizations within financial services, healthcare, public sector, manufacturing, utilities, and retail from offices in Denmark, Sweden, Norway, Germany, the 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.

Ambition

Conscia's ambition 2025

The long-term ambition of Conscia is to become the preferred networking, cybersecurity, and cloud infrastructure partner in Europe for customers and vendors. We want to enable secure digitalization 24/7 for organizations and build a Conscia that attracts, retains, develops, and excites the best people in the industry.

Conscia strives to:

As a leading European IT specialist in networking, cybersecurity, and cloud, we provide secure infrastructure solutions and 24-7 managed services to customers with complex network, data center, cloud, IoT, and mobility requirements. In doing this, we strive 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 transparently in terms of environmental, social, and ethical standards.
- Deliver continued double-digit revenue growth and market share gains.

Strategy execution

In the financial year 2021/22, Conscia continued to execute its Network of Knowledge strategy. While the core of this strategy and ambitions remain unchanged since the launch in 2019, Conscia reviews specific strategic priorities and targets every year.

In financial year 2021/22 focus was on:

- Growing 24/7 Services: Conscia has accelerated the growth in new Service offerings, especially in the areas of cybersecurity and software-defined networking and strengthened 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 expanded its expertise and offerings to cover a broader strategic portfolio, including Palo Alto, VMware, Microsoft, and AWS in relevant areas.
- Becoming One Conscia: Conscia continue to build competence and common systems to ensure customers across our markets will benefit from all our competence and offerings independent of which country they engage in with Conscia. Conscia enables our employees to work across our countries in each technology area to offer and connect the best experts in the market. Conscia enable this through a common HR system and IT tools, and we further developed our proprietary asset management system CNS as well as common operation center platforms.

Our performance last year was recognized by several partner awards from Cisco, Palo Alto Networks, and VMware. We are particularly proud of the 3 EMEA-wide Cisco awards, Cloud Partner of the Year: Conscia Netherlands, Enterprise Networking & Meraki partner of the Year: Conscia Denmark, Managed Services Delivery Excellence: xevIT – part of Conscia. The broad selection of partner awards achieved by Conscia this year shows our customers we can be their partner of choice in a broad range of complex technologies. And they reflect that our strategy to invest in people, knowledge, and how we go to market is paying off.

Financial review 2021/22

Revenue was DKK 3,277 million, corresponding to a growth of 19% versus last year and in line with expectations. Revenue growth was driven by a particularly strong performance in Software subscriptions, with the acquisition of RedLogic also contributing to the growth. Conscia continues to have a healthy mix of organic and inorganic growth.

Normalized EBITDA came to DKK 351 million, a growth of 14% versus last year and in line with expectations. In addition, the number of employees grew in line with the expectation of adding more than 50 additional employees. Conscia continued its investments in IT, common platforms, HR and group functions to deliver on growth plans. Expectations for 2022/23 are that growth continues on a similar trajectory as that seen in 2021/22.

A number of countries have been negatively impacted by longer delivery cycles on products linked to the global shortage of semiconductors and ongoing issues in the global logistics environment. However, there was some easing in this situation during the final quarter of the year.

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.

Gender diversity and composition of Board of Directors and Executive Board

As of 30 September 2022, The Board of Directors of Capnor Connery HoldCo A/S consisted of 5 people, two women and three men. The Executive Board consists of two men, the CEO and the CFO.

The target is that at least 3 out of 7 members of the Board of Directors and Executive Management level are women by 2023. Conscia's long-term ambition is to have a balanced representation in the Board of Directors.

Conscia aims to attain a more balanced gender split in its leadership positions at all management levels. By the end of 2021/2022, female workers constituted 20% of all employees, and 11% of managers and team leads were women. The policy is to employ and promote the most qualified people, regardless of gender, and to give all qualified candidates equal access to leadership positions.

Conscia's continued effort in this regard includes, among others, a 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.

The Board of Directors

Chairperson of the Board of Directors, Morten Hübbe is also CEO of Tryg A/S since 2011 and member of 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.

Board member Jess Tropp is Director, Nordic Capital Investment Advisory A/S and board member of 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 Fjelsted Rasmussen is CFO at Stark Group and a member of the board of directors at Demant and AltaPay.

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

Share based remuneration

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 6 for further information.

Risk

Conscia is exposed to uncertainties and risk factors, which may affect some or all 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 regard to the protection of Conscia's business. Therefore, before entering any agreements, suppliers are thoroughly evaluated regarding financial solidity, delivery quality, timeliness, and 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. The increased competition for new employees during the course of the last year has resulted in talent acquisition and attraction being prioritized as a key focus for the new financial year.

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, in the short term, Conscia may be affected by exchange rate fluctuations related to the translation of the results and inter-company balance of subsidiaries into DKK.

Credit Risk

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

IT risks

Conscia uses IT significantly and is vulnerable to interruptions of operation and breaches of the established security. Conscia has many IT security specialists that assist its clients but also support improving its 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 about 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 ongoing dialogue with the external auditor.

Research and development activities

Conscia does not conduct research but continuously develops internal systems and tools to support its customers' business.

Intellectual capital resources

To some extent, Conscia is dependent on attracting and retaining employees who can 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

A number of countries have been negatively impacted by longer delivery cycles on products linked to the global shortage of semiconductors and ongoing issues in the global logistics environment. However, there was some easing in this situation during the final quarter of the year.

The increase in other external expenses is due to an increase of DKK 34 million in costs related to consultants and external advisors related to projects.

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 2022/2023

Conscia is well-positioned in an attractive market that is impacted by several positive trends, e.g., shift to hyper-converged infrastructures and software-defined networks, cloud transformation, increased cybersecurity risks, and cost of network failures. For 2022/23, Conscia expects to deliver high single digit organic revenue growth and slightly higher growth in normalized EBITDA (reported EBITDA adjusted for non-recurring costs) and add more than 50 employees compared with 2021/22.

This view is considered to be the most likely scenario. However, world events beyond the control of Conscia, such as the war in Ukraine, increased inflation and interest rates, have increased the risk of a European or Worldwide downturn. Conscia acknowledges that a negative development in the general business environment could impact Conscia's ability to deliver the expected results.

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.

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

This ESG section of the Annual Report 2021/22 constitutes the statutory statement on social responsibility of Conscia A/S and its subsidiaries covering 1 October 2021 to 30 September 2022 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 to improve its performance within all four areas of the Global Compact – Environment, Ethics, Human Rights, and Labor Rights.

In 2022 Conscia published its first Sustainability Report, covering the financial year from 01 October 2020 to 30 September 2021. Understanding our environmental impact is the first step in our ambition to become a more sustainable enterprise.

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, cybersecurity, and cloud infrastructure for customers, including 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 30 September 2022 was DKK 3,277 million, and the company had 952 employees on 30 September 2022. 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.

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 cycle management
4. Business integrity
5. Green IT
6. Employee training and 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, and 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 to benefit the community and society at large.

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

Conscia has continued to use a hybrid working model, which has resulted in less per capita travel overall than prior to the COVID-19 pandemic.

Our Working from Home Policy, unrelated to future COVID-19 developments, will continue to allow employees to partially work from home, helping to lower costs, CO2 emissions, and time spent related to commuting while also providing more flexibility to enhance a better work-life balance.

Environmental responsibility

Conscia is committed to reducing its climate impact and has implemented procedures and initiatives to reduce the company's greenhouse gas (GHG) emissions and resource consumption. Daily operations are monitored and regularly updated to utilize modern power-saving infrastructures both in terms of energy consumption and energy sourcing. The biggest contribution to GHG savings is through the customers' solutions and service choices. Conscia seeks to advise customers on green and sustainable solutions, allowing them also to reduce their climate footprint. It is a target for 2022/23 to further strengthen the company's services in this regard.

On energy-specific efforts, Conscia has established an electronic device shutdown policy, a guide on how to ensure energy-efficient appliances and energy-saving lighting. In 2021/22, our CO2 emissions for scope 1 and scope 2 were 937 (786 for 2020/21) and 1387 (970 for 2020/21) metric tons, respectively, covering Conscia's headquarters and all subsidiaries. These CO2 emissions have been calculated by a third party consultant, based on consumption and utilization data provided by each of Conscia's locations. Electronic equipment is of particular concern to Conscia, and appropriate policies for handling 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.

Social engagement

Conscia denunciates all use of child labor, human trafficking, or any other form of forced or compulsory labor. Conscia wishes to positively influence society, both with its own employees and by how the company's solutions affect the 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 always to understand how the working environment can be improved. The performance is tracked through an employee satisfaction survey, where Conscia in 2021/22 reached an average employee Net Promoter Score (eNPS) of 59 on a scale of 1 to 100. This is considered top 10% in the industry.

In 2021/22, Conscia launched its Employee Development Process across the group to support our Learn for Life value and philosophy. With this, we further strengthen our focus on continuous development for our employees combined with our continued development of our Center of Excellence platform, which is a unique learning academy for our 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 and graduate programs are established to match local needs and engagements. Currently running in 4 of our 6 countries, these programs are planned to be extended to the entire Conscia Group.

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

Social risks

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

Human rights and business ethics

Conscia follows the United Nations' Declaration of Human Rights and firmly denunciates all use of child labor, human trafficking, or any other form of forced or compulsory labor. The company's code of conduct clearly states 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 2021/22, no human rights or 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 used for security awareness training and training in internal Conscia processes and governance covering, e.g., GDPR, information security, and governance.

By the end of 2020/21, 70% of all employees had completed the governance and compliance program training. By the end of 2021/22, this had increased to 87%. Conscia continues to target that at least 90% of all employees must have completed this training program.

Human rights and ethics risk

The main human rights and ethics risks are unethical data handling and data leaks leading to the dissemination of personal data. In addition, employees may not be aware of legislation or company policies. 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 by internal training, as described above. Awareness campaigns are regularly conducted to maintain attention to good governance and compliance.

Conscia has also implemented a whistle-blower system. Please see the risk management section of the annual report for further information about handling IT security risks.

Data Ethics

The company only collects and processes sensitive personal data to a limited extent.

The company has implemented a Data Protection Manual as a matter of Group Policy. This provides an umbrella policy that is mandatory across all Conscia locations and for all employees. It describes roles and responsibilities, how Conscia manages personal data and how compliance is ensured via monitoring, training and review. In addition, this Group Policy is supported by local policies and training material to ensure compliance with the General Data Protection Regulation.

Conscia is aware of legislation in the area of Data Ethics and actively seeks to ensure compliance with all regulatory requirements. Awareness of the issues amongst employees is supported by mandatory governance and compliance training.

Governance

ESG initiatives are primarily executed within countries and coordinated centrally by relevant functional areas – i.e., HR, Compliance, and Strategy. ESG overall is governed and steered by the Conscia Leadership Team, which facilitates, and monitors Conscia's continued efforts within the scope of the ESG policies.

Management statement

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Capnor Connery HoldCo A/S for the financial year 1 October 2021 – 30 September 2022.

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 2022 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 2021 - 30 September 2022 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 as well as distribution of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Brøndby, 30 November 2022

Executive Management

Erik Gunnar Bertman	Jacob Bryde Christensen
Chief Executive Officer	*Chief Financial Officer*

Board of Directors

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

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 2022 and of the results of the Group's operations and cash flows for the financial year 1 October 2021 to 30 September 2022 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 2022 and of the results of the Parent Company's operations for the financial year 1 October 2021 to 30 September 2022 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 2021 - 30 September 2022, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

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.

- 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, 30 November 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorized Public Accountant
mne28705

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conscia

Consolidated financial statements

Income statement

tDKK	Note	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Revenue	3	3,276,594	2,750,112
Expenses for raw materials and consumables		(2,091,329)	(1,751,177)
Other operating income		4,467	3,421
Other external expenses		(269,069)	(154,270)
Gross profit		**920,663**	**848,086**
Staff expenses	4	(634,613)	(578,474)
EBITDA		**286,049**	**269,612**
Depreciation and amortization	6	(170,123)	(159,114)
Result before net financials		**115,927**	**110,498**
Financial income	7	8,744	184
Financial expenses	8	(203,218)	(192,459)
Result before tax		**(78,547)**	**(81,777)**
Income tax	9	(20,089)	(16,722)
Result for the period		**(98,636)**	**(98,499)**

Condensed statement of comprehensive income

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Result for the period	(98,636)	(98,499)
Exchange differences on translation of foreign operations	(6,531)	2,061
Hedging gains reclassified to profit or loss	(1,503)	691
Fair value adjustment of hedging intruments	18,525	1,503
Other comprehensive income for the period	**10,491**	**4,255**
Total comprehensive income for the period	**(88,144)**	**(94,243)**

Balance sheet

Assets

tDKK	Note	30 September 2022	30 September 2021
Intangible assets	10	3,540,174	3,559,678
Property, plant and equipment	11	52,480	52,693
Right-of-use assets	13	109,149	114,746
Investments in associates		47	45
Other receivables		13,518	6,373
Prepayments		47,654	12,690
Total non-current assets		**3,763,023**	**3,746,225**
Inventories	14	117,795	56,044
Trade receivables	15	701,829	491,453
Contract work in progress, assets	16	36,416	78,384
Receivables from associates		0	1,296
Income tax receivables		3,295	2,914
Derivatives	19	28,452	1,572
Other receivables		60,034	28,372
Prepayments		98,779	80,480
Cash and cash equivalents		131,466	171,324
Total current assets		**1,178,066**	**911,839**
Total assets		**4,941,089**	**4,658,064**

Equity & liability

tDKK	Note	30 September 2022	30 September 2021
Share capital	17	1,965	1,946
Share premium		1,954,257	1,926,135
Foreign currency translation reserve		(5,199)	1,332
Hedging reserve	19	18,526	1,503
Retained earnings		(411,574)	(312,939)
Total equity		**1,557,975**	**1,617,977**
Borrowings	18	1,951,046	1,972,336
Lease liabilities	13	77,933	86,266
Income tax payables		15,140	8,087
Deferred tax liabilities	12	164,809	174,053
Prepayments from customers	16	9,906	0
Other payables		12,959	2,832
Deferred income	16	104,083	94,555
Total non-current liabilities		**2,335,877**	**2,338,130**
Borrowings	18	84,605	17,055
Trade payables		454,589	249,219
Contract work in progress, liabilities	16	161	0
Lease liabilities	13	33,783	31,365
Income tax payables		19,366	7,774
Prepayments from customers	16	40,807	27,860
Payables to associates		364	0
Other payables		251,636	208,086
Deferred income	16	161,927	160,598
Total current liabilities		**1,047,238**	**701,957**
Total liabilities		**3,383,115**	**3,040,087**
Total equity and liabilities		**4,941,089**	**4,658,064**

Statement of changes in equity 1 October 2021 – 30 September 2022

tDKK	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total
Equity at 1 October 2021	**1,946**	**1,926,135**	**1,332**	**1,503**	**(312,939)**	**1,617,977**
Result for the period	0	0	0	0	(98,636)	(98,636)
Other comprehensive income	0	0	(6,531)	17,022	0	10,491
Total comprehensive income for the period	**0**	**0**	**(6,531)**	**17,022**	**(98,636)**	**(88,144)**
Transactions with owners in their capacity as owners:						
Capital increase	19	28,122	0	0	0	28,141
Total transactions with owners	**19**	**28,122**	**0**	**0**	**0**	**28,141**
Equity at 30 September 2022	**1,965**	**1,954,257**	**(5,199)**	**18,526**	**(411,575)**	**1,557,974**

Statement of changes in equity 1 October 2020 – 30 September 2021

tDKK	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total
Equity at 1 October 2020	**1,873**	**1,868,897**	**(729)**	**(691)**	**(214,440)**	**1,654,910**
Result for the period	0	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)**	**(94,244)**
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**	**1,503**	**(312,939)**	**1,617,977**

Statement of cash flows

tDKK	Note	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Loss for the period		(98,636)	(98,499)
Adjustments	27	387,477	367,541
Changes in net working capital	28	(56,247)	(33,850)
Net cash flow from operating activities before interest and taxes paid		232,593	235,192
Interests received		3,624	184
Interests paid		(200,371)	(188,660)
Income taxes paid	9	(30,612)	(16,674)
Net cash flow from operating activities after interest and taxes paid		**5,234**	**30,042**
Purchase of intangible assets	10	(22,913)	(18,486)
Purchase of property, plant and equipment	11	(15,799)	(16,266)
Payment for acquisition of subsidiary, net of cash acquired	21	(46,217)	(91,437)
Net cash flow from investing activities		**(84,929)**	**(126,189)**
Raising of borrowings from credit institutions		67,550	26,961
Principal elements of lease payments	13	(33,657)	(34,527)
Cash capital increase		8,796	57,311
Cash flow from financing activities		**42,689**	**49,745**
Net cash flow for the period		**(37,006)**	**(46,402)**
Cash and cash equivalents, beginning of the period		171,324	220,479
Effects of exchange rate changes on cash and cash equivalents		(2,852)	(2,754)
Cash and cash equivalents at end of the period		**131,466**	**171,323**

Notes

Note 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 2021/2022 and 2020/2021 cover the period 1 October to 30 September.

Basis of preparation

No significant new IFRSs or IFRIC interpretations have been implemented in 2021/22 affecting the recognition and measurement in the Consolidated Financial Statements.

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 can 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 unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Foreign currency translation

<u>Functional currency</u>

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').

<u>Transactions and balances</u>

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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.

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 recognizes 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 recognized 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 recognized 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 consultancy services. Management assesses whether each deliverable is distinct. If the Group provides a significant service of integrating the hardware and software, the deliverables are treated as one performance obligation. If on the other hand, the customer could benefit separately from each derivable, each derivable is treated as a separate performance obligation. 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 and software

The software sold by the Group are characterized 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. Hardware is operational only with specific software and generally software and hardware are sold together . Due to the interdependency between the software and hardware, the software and the hardware is considered one performance obligation. Revenue is recognized upon delivery.

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 recognized on a straight-line basis.

The service periods vary 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 recognized 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 monthly, 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 recognized over time based on 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.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, 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.

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts that concern the financial year.

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

Net financials include interest income and expenses as well as exchange rate differences on current and noncurrent capital items, 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 based on 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, based on 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 realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

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

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 amortized 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 recognized at fair value at the acquisition date. Except for trademarks, separately acquired intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

The Group amortizes 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 amortized, 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.

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.

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.

The carrying amount of any component accounted for as a separate asset is derecognized 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 recognized 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 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 recognized on a straight-line basis as an expense in profit or loss.

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

Impairment of non-current assets

Goodwill and intangible assets with an indefinite useful life are not subject to amortization 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 recognized 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 recognized initially at transaction price and subsequently measured at amortized 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 amortized 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.

Receivables

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

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

Prepayments

Prepayments recognized 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 recognized as share premium.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognized 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 recognize 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.

Dividends

A liability is recognized for any dividend declared, being appropriately authorized 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 initially recognized at fair value which is generally proceeds received, and net of transaction costs incurred. Subsequently, borrowings are measured at amortized 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 amortized 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 recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized 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 recognized 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 recognized 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 recognized.

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

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, amortization 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

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

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

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

Note 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 on 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, Damecon B.V in the year 2020/2021, and RedLogic in the year 2021/2022 the Group identified customer relations as a separate intangible asset. On 30 September 2022, the carrying amount of customer contracts amounts to tDKK 738,544. The customer relations are amortized on a straight-line basis over their useful life. Management has estimated the useful lives of the customer relations to be between 10 - 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 2,699 million and DKK 34 million, respectively and no impairment losses has been recognized in the financial year 2021/2022. Information on the impairment tests, including critical assumptions are disclosed and described in note 10.

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Critical accounting judgements

Identification of performance obligations in solutions

Management has applied judgment in determining whether a contract for the sale of software, hardware and consultancy services to design a network solution comprises one or more performance obligations. It is Management's assessment that due to the interdependency between the hardware and the related software, these elements are not separable within the context of the contract. Consequently, the hardware and the related software is treated as one performance obligation. Consultancy services are considered a separate performance obligation due to the fact that another partner of the hardware and software manufacturer would have the practical ability to design the network solution comprising the hardware and software.

Recognizing revenue as a principal

The Group has concluded that it is the principal in satisfying the performance obligations in all its contracts with customers. As a result, the Group recognizes 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.

Note 3 Revenue

The Group derives revenue from the following product lines:

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Solution	2,455,678	2,011,718
Service	820,916	738,394
Total	**3,276,594**	**2,750,112**

Revenue related to Solution is recognized at a point in time and revenue related to Service is recognized over time.

Revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

The Group derives revenue in the following major geographical regions:

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Denmark	1,205,856	1,060,806
Nordic ex. Denmark	775,986	503,217
Netherlands	687,890	645,011
Slovenia	263,342	236,540
Germany	343,520	304,538
Group	**3,276,594**	**2,750,112**

Note 4 Staff expenses & other external expenses

Staff expenses

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Wages and salaries	518,371	496,573
Defined contribution plans	56,725	43,691
Other social security costs	53,161	33,476
Other staff costs	6,356	4,734
Total	**634,613**	**578,474**
Average number of employees	907	852
Executive Board and key management:		
Wages and salaries	6,111	6,993
Pension plans	377	334
Other social security costs	9	6
Total	**6,497**	**7,333**
Board of Directors:		
Board compensation	1,950	1,864
Total	**1,950**	**1,864**
Total compensation of key management person	**8,447**	**9,197**

Other external expenses

The increase in other external expenses is due to an increase of DKK 34 million in costs related to consultants and external advisors related to projects.

Note 5 Share-based payment plans

The Group has in 2019 introduced an incentive program for its Executive Management 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 shareholder agreement.

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

All shares acquired under the incentive program 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 12 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 2021	18,529,589	11,047,607
Issued during the year	1,403,343	490,281
As at 30 September 2022	**19,932,932**	**11,537,888**

	Number of preference shares	Number of ordinary shares
As at 1 October 2020	13,482,911	9,732,766
Issued during the year	5,046,678	1,314,841
As at 30 September 2021	**18,529,589**	**11,047,607**

Because the shares are acquired by the participants 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.

Note 6 Depreciation and amortization

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Depreciation on property, plant and equipment	16,584	12,633
Depreciation on right-of-use assets	36,673	33,531
Amortisation on intangible assets	116,866	112,950
Total	**170,123**	**159,114**

Note 7 Financial income

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Hedge reserve adjustment	5,120	0
Other financial income	3,624	184
Total	**8,744**	**184**

Note 8 Financial expenses

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Foreign exchange rate losses	48,432	8,005
Interest on lease liabilities (Right-of-use assets)	3,062	3,800
Interest on financial liabilities	151,724	180,654
Total	**203,218**	**192,459**

Note 9 Tax on profit for the year

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Current tax:		
Current tax on profits for the year	44,922	34,792
Current tax on profits for previous years	(1,608)	3,350
Deferred tax on profit for the year	(23,432)	(21,134)
Deferred tax on profit for previous years	207	(286)
Total	**20,089**	**16,722**
Calculated 22.0% tax on profit for the year before income tax	(17,280)	(17,991)
Tax effects of:		
Non-deductible expenses	7,633	1,704
Non-deductible interest	27,122	30,073
Tax related to previous years	(246)	3,064
Higher/lower tax rate in subsidiaries	1,870	(1,064)
Tax on other comprehensive income	991	936
Total	**20,089**	**16,722**
Effective tax rate	26%	20%

Note 10 Intangible assets

30 September 2022

tDKK	Acquired rights	Customer contracts	Goodwill	Software	Trademarks	Total
Cost:						
At 30 September 2021	**28,057**	**966,177**	**2,658,080**	**132,725**	**34,129**	**3,819,168**
Additions through business combinations	0	34,716	42,280	0	0	76,996
Additions during the year	3,362	0	0	19,551	0	22,913
Disposal during the year	0	0	0	0	0	0
Exchange difference	(42)	(1,130)	(1,791)	0	0	(2,963)
At 30 September 2022	**31,377**	**999,763**	**2,698,569**	**152,276**	**34,129**	**3,916,114**
Accumulated amortisation and impairment:						
At 30 September 2021	**18,056**	**181,238**	**0**	**60,196**	**0**	**259,490**
Amortization for the year	4,737	80,266	0	31,863	0	116,866
Disposal during the year	0	0	0	0	0	0
Exchange difference	(130)	(286)	0	0	0	(416)
At 30 September 2022	**22,663**	**261,219**	**0**	**92,059**	**0**	**375,940**
Carrying amount 30 September 2022	**8,714**	**738,544**	**2,698,569**	**60,217**	**34,129**	**3,540,173**

30 September 2021

tDKK	Acquired rights	Customer contracts	Goodwill	Software	Trademarks	Total
Cost:						
At 30 September 2020	**26,219**	**947,990**	**2,583,070**	**116,205**	**34,129**	**3,707,613**
Additions through business combinations	0	18,240	75,674	894	0	94,808
Additions during the year	2,860	0	0	15,626	0	18,486
Disposal during the year	(1,013)	0	0	0	0	(1,013)
Exchange difference	(9)	(53)	(664)	0	0	(726)
At 30 September 2021	**28,057**	**966,177**	**2,658,080**	**132,725**	**34,129**	**3,819,168**
Accumulated amortisation and impairment:						
At 30 September 2020	**10,966**	**103,261**	**0**	**32,925**	**0**	**147,152**
Amortization for the year	7,703	77,977	0	27,271	0	112,951
Disposal during the year	(607)	0	0	0	0	(607)
Exchange difference	(6)	0	0	0	0	(6)
At 30 September 2021	**18,056**	**181,238**	**0**	**60,196**	**0**	**259,490**
Carrying amount 30 September 2021	**10,001**	**784,939**	**2,658,080**	**72,529**	**34,129**	**3,559,678**

Note 10 Intangible assets

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Customer contracts

Customer contracts were acquired through business combinations in 2019, 2020 and 2021.They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis. As of 30 September 2022, the carrying amount of customer contracts was tDKK 738,545. 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 recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis. As of 30 September 2022, the carrying amount of software was tDKK 60,217. The Group estimates the remaining useful life of the software to be 1 - 5 years.

Trademarks

Trademarks are relating to the Conscia trademark and has a carrying amount of tDKK 34,129 as of 30 September 2022. Trademarks are not amortized, 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.

Impairment tests of goodwill and trademark

The Group tests whether goodwill and trademark has suffered any impairment on an annual basis. For 2022, no impairment loss has been recognized.

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 indirect 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 further details. During 2021/2022 Capnor Connery HoldCo A/S acquired through its wholly owned subsidiaries 100% of the issued share capital of RedLogic B.V. (acquired 1 October 2021) in the Netherlands.

Goodwill related to the acquisition of RedLogic B.V. amounted to TDKK 42,280.

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 2022, the carrying amount of goodwill and trademarks, respectively, allocated to each cash generating units is shown below:

	30 September 2022		30 September 2021	
tDKK	Trademarks	Goodwill	Trademarks	Goodwill
Cash-generating units:				
Denmark	34,129	959,954	34,129	959,954
Sweden	0	411,872	0	413,044
Norway	0	255,383	0	255,383
Netherlands	0	718,562	0	676,302
Slovenia	0	218,793	0	218,793
Germany	0	134,005	0	134,604
Total	**34,129**	**2,698,569**	**34,129**	**2,658,080**

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.

Cashflows 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:

Note 10 Intangible assets

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Assumption at 30 September 2022

(%)	Marginal tax rate	Long term growth rate	Pre-tax discount rate
Denmark	22.0	2.0	10.6
Sweden	20.6	2.0	9.8
Norway	22.0	2.0	11.5
Netherlands	25.0	1.5	10.8
Slovenia	19.0	2.0	11.9
Germany	30.0	2.0	11.1

Assumption at 30 September 2021

(%)	Marginal tax rate	Long term growth rate	Pre-tax discount rate
Denmark	22.0	1.5	9.8
Sweden	20.6	1.5	10.0
Norway	22.0	1.5	10.4
Netherlands	25.0	1.5	10.0
Slovenia	21.0	1.5	10.4
Germany	30.0	1.5	10.5

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. The average sales growth for the period 2023 – 2027, for the 6 cash flow generating units, is in the range 5-20% (2022 – 2026: 6-20%).

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 for the period 2023 – 2027, for the 6 cash flow generating units, is in the range 8-18% (2022 – 2026: 7-19%).

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.

Note 11 Property, plant and equipment

30 September 2022

tDKK	Other fixtures and fittings, tools and equipment
Cost:	
At 30 September 2021	**74,510**
Additions through business combinations	1,005
Additions during the year	15,799
Disposals during the year	(7,542)
Exchange adjustment	(289)
Transfers for the year	0
At 30 September 2022	**83,483**
Accumulated depreciation:	
At 30 September 2021	**21,817**
Depreciation for the year	16,584
Disposals for the year	(7,317)
Exchange adjustment	(81)
Transfers for the year	0
At 30 September 2022	**31,003**
Carrying amount 30 September 2022	**52,480**

30 September 2021

tDKK	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	(59)	(23)
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	12,272	360
Disposals for the year	(2,952)	0
Exchange adjustment	(51)	0
Transfers for the year	360	(360)
At 30 September 2021	**21,817**	**0**
Carrying amount 30 September 2021	**52,693**	**0**

Note 12 Deferred tax

tDKK	30 September 2022	30 September 2021
Deferred tax at 1 October	(174,052)	(191,622)
Additions thorugh business combinations	(8,957)	(4,972)
Deferred tax recognised in the statement of profit or loss	23,432	21,134
Fair value adjustment of hedging instruments	(3,122)	0
Adjustment prior years	(207)	286
Deferred tax reccognised in other comprehensive income	(1,912)	0
Exchange adjustment	9	1,122
Deferred tax at 30 September	**(164,809)**	**(174,052)**
Deferred tax relates to:		
Intangible assets	(193,617)	(206,199)
Property, plant and equipment	594	(1,762)
Right-of-use assets	47	2,210
Contract assets and liabilities	(1,919)	(168)
Deferred expenses	(1,289)	0
Regulation on hedging instruments	(4,353)	0
Borrowing costs	10,619	8,124
Income for later taxation	(2,804)	304
Tax on loss carry forward	606	0
Deferred income	27,307	23,439
Total	**(164,809)**	**(174,052)**
Of which presented as deferred tax assets	0	0
Of which presented as deferred tax liabilities	(164,809)	(174,052)
Total	**(164,809)**	**(174,052)**

The deferred tax include an amount of tDKK 606 which relates to carried-forward tax losses of xevIT GmbH who has incurred the losses the previous year.

The group has concluded that the deferred tax related to tax loss carry forward will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generated taxable income from 2022/23 and onwards. The losses can be carried forward indefinitely and have no expiry date.

Note 13 Leases (Right-of-use assets)

tDKK	30 September 2022	30 September 2021
Right-of-use assets:		
Properties	78,986	84,418
Cars	30,163	30,328
Total	**109,149**	**114,746**
Lease liabilities:		
Current	33,783	31,365
Non-current	77,933	86,266
Total	**111,716**	**117,631**

Additions to the right-of-use assets during the 2021/2022 financial year were tDKK 33,068 (2020/2021: tDKK 45,611).

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Depreciation charge of right-of-use assets		
Properties	16,923	15,903
Cars	19,750	17,628
Total	**36,673**	**33,531**
Interest expense (included in financial expenses)	3,062	3,800
Total cash outflow from leases	33,657	34,527

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.

Note 14 Inventories

tDKK	30 September 2022	30 September 2021
Finished goods and goods for resale	117,795	56,044
Total inventories	**117,795**	**56,044**
Impairment for the year	3,687	3,219
Reversed impairment for the year	(3,134)	(2,736)

Note 15 Trade receivables

tDKK	30 September 2022	30 September 2021
Trade receivable carring amount	703,869	492,291
Less allowance for impairment of trade receivables	(2,040)	(838)
Trade receivables net	**701,829**	**491,453**
Current	598,571	393,007
More than 1 day past due	73,082	64,102
More than 30 days past due	16,522	17,286
More than 60 days past due	4,332	6,799
More than 90 days past due	11,361	11,097
Total	**703,869**	**492,291**

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 2022 to be insignificant.

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.

Note 16 Contract balances

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

tDKK	30 September 2022	30 September 2021
Assets		
Trade receivable	701,829	491,453
Contract work in progress, assets	36,416	78,384
Liabilities		
Prepayments from customers	50,713	27,860
Contract work in progress, liability	161	0
Deferred income	266,010	255,153

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 The project start will take place within the coming year.

The increase in trade receivables and deferred income is the related to the increase in Revenue for the year and is particularly high at year end due to the increased level of activity at the end of the financial year.

In addition to acquisitions of a new company, 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 increase in prepayment from customers of DKK 22.9 million is due to several large prepayments were received on projects starting in the financial year 2022/2023.

Of the total balance of prepayment from customers and deferred income as of 30 September 2022, TDKK 202,102 is expected to be recognized as revenue within less than 1 year, and TDKK 114,620 within 1-5 years.

As of 30 September 2022, the Group has a total order backlog of MDKK 965 (2010/2021: 495MDKK) which is expected to be delivered within the coming financial year.

Note 17 Share capital

	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Number of shares	*Number of shares*	*Nominal value tDKK*	*Nominal value tDKK*
The share capital comprises:				
A shares (ordinary shares) - fully paid	40,300,000	39,800,000	403,000	398,000
B shares (preference shares) - fully paid	156,200,000	154,800,000	1,562,000	1,548,000
Share capital	**196,500,000**	**194,600,000**	**1,965,000**	**1,946,000**

	A-shares		B-shares	
tDKK	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Changes in share capital				
Opening balance	398	376	1,548	1,497
Capital increase	5	22	14	51
Total	**403**	**398**	**1,562**	**1,548**

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.

Note 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.

	Interest rate	Effective interest rate	Currency	Maturity	Carrying amount
30 September 2022					
Loan from credit institution	Variable	7.7-9.6 %	DKK, EUR, NOK, SEK	30 April 2026	1,819,895
Revolving Facility	Variable	5.2 %	DKK	30 April 2025	80,000
Other credit institutions	Variable	5.0-5.2 %	DKK, USD, EUR, NOK, SEK	30 April 2025	135,756
Total borrowings					**2,035,651**

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

	Interest rate	Effective interest rate	Currency	Maturity	Carrying amount
30 September 2021					
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 and Revolving Facility are loans without repayment until maturity.

Note 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 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.

The Group is closely monitoring the interest rate development and in close dialog with advisors. The Group's policy is 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 considers the cost of hedging to exceed the risk.

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	
tDKK	**1 October 2021 to 30 September 2022**	**1 October 2020 to 30 September 2021**
Interest rates - increase by 100 basis points	18,577	20,159
Interest rates - decrease by 100 basis points	(18,577)	0

The impact presented in the above sensitivity analysis is based on the financial assets and financial liabilities recognized as of 30 September 2022. 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.

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 most of the Group's purchases of goods 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 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.

Note 19 Financial risk management

- continued

Sensitivity:

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 September for resp. 2022 and 2021. With all other variables held constant, the Group's profit is affected as follows:

	Forward currency contracts hedging contracts impact on post tax profit	
tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
DKK/USD exchange rate - increase 10%	22,867	10,991
DKK/USD exchange rate - decrease 10%	(22,867)	(10,991)

The impact presented in the above sensitivity analysis is based on the financial assets and financial liabilities recognized as of 30 September 2022. All hedging relationships except Norway's are assumed to be effective.

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

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:

tDKK	30 September 2022	30 September 2021
Current derivates		
Carrying amount of foreign currency forwards and swaps - cash flow hedges.	28,452	1,572
Nominal amount		
DKK/USD	32,890	44,038
EUR/USD	21,781	40,497
NOK/USD	77,796	25,371
Average transactions rate		
USD/DKK	7.39	6.42
EUR/DKK	7.44	7.44
NOK/DKK	0.74	0.73

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 2021	**1,503**
Change in fair value of hedging instrument recognised in other comprehensive income (OCI)	18,935
Reclassified from OCI to profit or loss	(1,913)
Closing balance 30 September 2022	**18,525**

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 based on expected cash flows.

Management monitors each month their forecasted 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.

Note 19 Financial risk management

- continued

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 consider 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 an undrawn facility at DKK 169 million (108 million).

Maturity analysis

The tables below analyze 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.

tDKK	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
As at 30 September 2022				
Non-derivates				
Borrowings	249,225	2,517,328	0	**2,766,553**
Lease liabilities	33,783	54,784	23,150	**111,717**
Trade payables	454,589	0	0	**454,589**
Other payables	251,636	12,959	0	**264,595**
Total	**989,234**	**2,585,070**	**23,150**	**3,597,454**
Derivates				
Forward currency contracts (asset)	28,452	0	0	**28,452**

tDKK	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
As at 30 September 2021				
Non-derivates				
Borrowings	158,392	2,469,717	0	**2,628,109**
Lease liabilities	31,365	56,614	29,652	**117,631**
Trade payables	249,219	0	0	**249,219**
Other payables	208,086	2,832	0	**210,918**
Total	**647,062**	**2,529,163**	**29,652**	**3,205,877**
Derivates				
Forward currency contracts (asset)	1,572	0	0	**1,572**

Note 19 Financial risk management

- continued

tDKK	30 September 2022	30 September 2021
Derivates		
Financial assets and liability (-) at fair value		
Forward currency contracts	28,452	1,572
Total	**28,452**	**1,572**
Financial assets		
Financial assets at amortised cost:		
Trade receivables	701,829	491,453
Receivables from associates	0	1,296
Cash and cash equivalents	131,466	171,324
Total	**833,295**	**664,073**
Financial liabilities		
Liabilities at amortised cost:		
Borrowings (current and non-current)	2,035,651	1,989,392
Lease liabilities (current and non-current)	111,717	117,631
Payables to associates	364	0
Trade payables	454,589	249,219
Total	**2,602,321**	**2,356,242**

Measurement and fair value hierarchy

The fair value of forward currency contracts (level 2) is determined using valuation techniques which maximize 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 forward exchange contracts of total tDKK 228,670. Compared to forward prices at the Group balance date, the contracts have a fair value of tDKK 28,456. The unrealized gain is recognized in the equity.

The borrowings amounts to tDKK 2,147,368 (level 3). The carrying value of financial liabilities measured at amortized 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.

Note 20 Capital management

The Group´s objectives when managing capital are to:

Safeguard our ability to continue as a going concern, so that we can provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

During 2022/2023, the Group´s strategy is to maintain a net debt / EBITDA LTM** in the range between 5-6, like in 2021/2022.

Loan covenants

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

The consolidated net debt* divided by the EBITDA LTM**, must not be higher than 10.25.

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

*Net debt definition: Loans minus cash in hand.

**EBIDTA LTM: EBIDTA post any M&As and restructuring

Note 21 Business combinations

Acquisition of RedLogic B.V.

During 2021/2022 Capnor Connery HoldCo A/S acquired through its wholly owned subsidiaries 100% of the issued share capital of RedLogic B.V. (acquired 1 October 2021) in the Netherlands. The company provide IT solutions, consultancy and services in the country in which the Group is represented. The acquisition is 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:

tDKK	Redlogic B.V.
Cash	20,036
Trade receivables	2,536
Plant and equipment	1,005
Prepayments	118
Other receivables	120
Intangible assets: Customer contracts	34,715
Trade payables	(930)
Deferred tax liability	(8,957)
Deferred income	(696)
Other payables	(4,631)
Net identifiable assets acquired	**43,316**
Goodwill	42,281
Net assets acquired	**85,597**
Cash flow from acquisition:	
Consideration paid	66,253
Consideration paid on shares (non cash transaction)	19,344
Less cash received	(20,036)
	65,561

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 tDKK 2,536 which in all material respects corresponds to the gross contractual amount on acquisition.

The acquired business contributed revenue and net profit of:

Revenue for time of ownership

RedLogic B.V. tDKK 45,098 for the period 01.10.2021-30.09.2022

Net profit for time of ownership

RedLogic B.V. tDKK 14,157 for the period 01.10.2021-30.09.2022

Acquisition-related costs of tDKK 1,898 are included in other external expenses in the income statement.

The above figures for the individual company are the management's best estimate, as the company has been merged into Conscia Nederland B.V.

Note 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 and NIL Skupina d.o.o, xevIT GmbH have been issued.

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

Furthermore, Capnor Connery BidCo A/S has provided a bank guarantee to De Lage Landen Holland.

Note 23 Fee to auditors appointed at the general meeting

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Audit fee to PwC	2,118	2,006
Other assurance engagements	4,492	1,866
Tax advisory services	1,244	96
Non-audit services	4,254	0
Total	**12,108**	**3,872**

Note 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.

tDKK	1 October 2021	Business combinations	Repayment	New loan/leasing	30 September 2022
2021/2022					
Current and non-current borrowings	1,989,392	0	(4,450)	0	**1,984,942**
Current and non-current lease liabilities	117,631	0	(33,657)	27,742	**111,716**
Total liabilities from financing activities	**2,107,023**	**0**	**(38,107)**	**27,742**	**2,096,658**

tDKK	1 October 2020	Business combinations	Repayment	New loan/leasing	30 September 2021
2020/2021					
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**

Note 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 5 and 6. The Group had the following transactions with related parties during the year:

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Transactions with NC Connery GP Limited:		
Capital increase	0	0
Consculting and service	28	26
Transactions with key management		
Purchase of shares	6,000	20,115
Sales of shares	0	29,610

Note 26 Events after the balance sheet date

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

Note 27 Cash flow statement - adjustments

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Financial income	(8,745)	(184)
Financial expenses	203,218	192,459
Tax on profit/loss for the year	20,089	16,722
Other adjustmenst	2,792	(570)
Depreciation and amortisation	170,123	159,114
Total	**387,477**	**367,541**

Note 28 Cash flow statement - Changes in net working capital

tDKK	30 September 2022	30 September 2021
Change in trade receivables	(207,839)	(62,036)
Change in contract assets	41,968	(3,746)
Change in prepayments	(53,145)	12,385
Change in inventories	(60,680)	11,932
Change in other receivables	(37,392)	8,900
Change in derivatives	(26,880)	(2,685)
Change in other payables	49,571	(366)
Change in prepayments	22,853	(47,753)
Change in trade payables	204,439	22,347
Change in deferred income	10,856	27,172
Total	**(56,247)**	**(33,850)**

Note 29 List of group companies

The Group's subsidiaries on 30 September 2022 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 Group A/S	Subsidiary	Brøndby, Denmark	100%
Conscia Danmark A/S	Subsidiary	Brøndby, Denmark	100%
Conscia Sverige AB	Subsidiary	Stockholm, 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%
Conscia U.S. Inc.	Subsidiary	Delaware, US	100%

Parent Company

Financial statements

Income statement

tDKK	Note	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Other external expenses		(1,518)	(1,036)
Gross profit		**(1,518)**	**(1,036)**
Result before net financials		**(1,518)**	**(1,036)**
Financial income	2	20,681	15,486
Financial expenses	3	(1,778)	(141)
Result before tax		**17,385**	**14,309**
Income tax	4	(4,082)	(4,666)
Result for the period	6	**13,303**	**9,643**

Balance sheet

Assets

tDKK	Note	30 September 2022	30 September 2021
Investments in subsidiaries	5	1,723,944	1,704,600
Income tax receivable		9,080	4,240
Total non-current assets		**1,733,024**	**1,708,840**
Receivables from group entities		293,245	233,506
Income tax receivable		4,240	6,390
Cash and cash equivalents		90	1,969
Total current assets		**297,576**	**241,865**
Total assets		**2,030,599**	**1,950,705**

Equity & liability

tDKK	Note	30 September 2022	30 September 2021
Share capital		1,965	1,946
Share premium		1,954,257	1,926,135
Retained earnings		28,716	14,061
Total equity		**1,984,938**	**1,942,142**
Income tax payables		12,553	7,557
Total non-current liabilities		**12,553**	**7,557**
Income tax payables		7,557	811
Payables to group enterprises		25,411	0
Other payables		140	195
Total current liabilities		**33,109**	**1,005**
Total liabilities		**45,661**	**8,563**
Total equity and liabilities		**2,030,599**	**1,950,705**

Statement of changes in equity 1 October 2021 – 30 September 2022

tDKK	Share capital	Share premium	Retained earnings	Total
Equity at 1 October 2021	**1,946**	**1,926,135**	**14,063**	**1,942,145**
Result for the period	0	0	13,303	13,303
Capital increase	19	28,122	0	28,140
Equity at 30 September 2022	**1,965**	**1,954,257**	**27,366**	**1,983,587**

Notes

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

Note 1 Accounting policies

The Annual Report of Capnor Connery Holdco A/S - parent company ("the Company") has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

'The Parent Company Financial Statements for 2021/2022 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 recognized in the income statement, including amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized 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.

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 recognized 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 recognized in the income statement in financial income and expenses.

Note 2 Financial income

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Interest received from group enterprises	20,681	15,486
Total	**20,681**	**15,486**

Note 3 Financial expenses

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Interest paid to group enterprises	(1,675)	0
Other financial expenes	(103)	(141)
Total	**(1,778)**	**(141)**

Note 4 Tax on profit for the year

tDKK	1 October 2021 to 30 September 2022	1 October 2020 to 30 September 2021
Current tax:		
Current tax on profits for the year	4,082	3,317
Current tax on profits for previous years	(0)	1,349
Total	**4,082**	**4,666**

Note 5 Investments in subsidiaries

tDKK	30 September 2022	30 September 2021
Cost at:	1.704.600	1.704.600
Addition for the year	19.344	0
Disposal for the year	0	0
Cost at:	**1.723.944**	**1.704.600**
Carrying amount at	**1.723.944**	**1.704.600**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Capnor Connery Midco A/S	Brøndby, Denmark	1,717	100%

Note 6 Distribution of profit

tDKK	30 September 2022	30 September 2021
Retained earnings	13,303	9,643

Note 7 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.

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