Generaxion Topco A/S

c/o Næsseslottet Office Hotel, Dronninggårds Alle 136, DK-2840 Holte

Annual Report for 1 January - 31 December 2020

CVR No 39 13 69 02

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/6 2021

Jan Gunnar Åkesson
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Generaxion Topco A/S for the financial year 1 January - 31 December 2020.

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

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

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

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

Holte, 30 June 2021

Executive Board

Joel Allen Russ
CEO

Board of Directors

Jan Gunnar Åkesson
Chairman

Joel Allen Russ

Caroline Lundgaard Jensen

Independent Auditor's Report

To the Shareholders of Generaxion Topco A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Generaxion Topco A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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

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

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

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

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

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

Independent Auditor’s Report

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

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

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

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

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

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

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

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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

Trekantområdet, 30 June 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen	Henrik Junker Andersen
statsautoriseret revisor	statsautoriseret revisor
mne18628	mne42818

Company Information

The Company	Generaxion Topco A/S c/o Næsseslottet Office Hotel Dronninggårds Alle 136 DK-2840 Holte CVR No: 39 13 69 02 Financial period: 1 January - 31 December Municipality of reg. office: Holte
Board of Directors	Jan Gunnar Åkesson, Chairman Joel Allen Russ Caroline Lundgaard Jensen
Executive Board	Joel Allen Russ
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

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

	Group	
	2020	2019
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	246,266	151,433
Gross profit/loss	192,008	89,994
Operating profit/loss	3,247	10,455
Profit/loss before financial income and expenses	3,247	10,455
Net financials	-8,619	-3,442
Net profit/loss for the year	-14,315	2,574
Balance sheet		
Balance sheet total	621,221	687,332
Equity	237,853	257,662
Cash flows		
Cash flows from:		
- operating activities	36,093	44,948
- investing activities	-1,950	-295,609
including investment in property, plant and equipment	-106	-4,335
- financing activities	-28,185	275,227
Change in cash and cash equivalents for the year	5,958	24,566
Number of employees	308	132
Ratios		
Gross margin	78.0%	59.4%
Profit margin	1.3%	6.9%
Return on assets	0.5%	1.5%
Solvency ratio	38.3%	37.5%
Return on equity	-5.8%	2.0%

Management's Review

Key activities

The Company changed its name from Søgemedier TopCo AS to Generaxion TopCo AS during the year. The main object of the Company is to hold equity investments in other companies as well as all activities which, at the discretion of the Board of Directors, are related thereto.

Development in the year

The income statement of the Group for 2020 shows a loss of TDKK 14,315, and at 31 December 2020 the balance sheet of the Group shows equity of TDKK 237,853.

Management considers the results satisfactory.

The Group's main risk is loss of revenue in the operating companies, including loss of customers in connection with acquisitions and subsequent integration.

To meet this risk, the Group works in a structured manner with detailed plans and processes for integration of acquired enterprises.

Activity in society also poses an operational risk, and a slowdown in the market is expected to result in reduced activities in the Group.

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Operating risks

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Activity in society also poses an operational risk, and a slowdown in the market is expected to result in reduced activities in the Group.

Foreign exchange risks

As the interest-bearing net debt constitutes a material amount, moderate changes in the interest rate level will have material direct effect on earnings.

Interest rate risks have not been hedged.

All revenue is generated in the B2B market. A decline in the economy could pose a risk in the form of reduced activity.

The Group is not exposed to foreign exchange risk to any significant extent.

Management’s Review

Targets and expectations for the year ahead

The Groups outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures.

Group Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Group. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Research and development

The Group has no research and development activities.

Intellectual capital resources

The Group wants to be an attractive workplace focussing on employee competence development, which constitutes an important foundation for the Group's development.

The Group's staff efforts are therefore focussed on attracting, developing and retaining competent, loyal and committed employees.

Through organised course and development days and internal webinars, both professional and personal competence development is addressed, and several key employees are offered further training.

Moreover, cross-border and cross-company consultation is given high priority, which means that particularly our specialists share knowledge and consult with each other between companies.

Statement of corporate social responsibility

The Generaxion Group denounces corruption and does not tolerate any kind of bribery or other unethical behaviour. The main risks in this area are estimated to be related to sale and procurement. Group management is open to inquiries. In 2020, no actual infringements were recorded.

In respect of the environment and climate, social and staff matters as well as human rights, we see no risks, and consequently, no policy has been formulated.

As Generaxion provides IT and online services, it is also the management's assessment that the activities in question do not have a significant resource consumption and thus no significant negative impacts on the environment.

The Group respects the internationally recognized human rights and strives to ensure that all stakeholders are treated properly. The Group's assessment that there are no significant risks of human rights violations in the Group's companies, nor a negative impact on employee relations.

Statement on gender composition

When selecting new candidates for the Board of Directors of the Generaxion Group, emphasis is placed on specific professional and personal competencies, qualifications and experience. The Generaxion Group believes that a diverse composition of the Board of Directors, including in terms of gender distribution, contributes to an innovative organisation and a positive working climate. It is the Group's objective to increase the number of women on the Board of Directors, but due to the relatively few board members being elected by the general meeting, no date has been set for when this objective should be achieved.

There are currently three board members, whereof one is a woman and two is men. Therefore, equal gender composition has been achieved.

The management composition also took into consideration professional and personal skills, qualifications and experience. The Company assesses that the future gender representation will correspond to the gender representation of the rest of the Company, which was also the case in 2020, when the share of women in the group companies' management constituted approx. 10-15%. To the extent possible, candidates of both genders are assessed for other vacant management positions.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Koncern 2020	Koncern 2019	Moderselskab 2020	Moderselskab 2019
		TDKK	TDKK	TDKK	TDKK
Revenue	2	**246,266**	**151,433**	**0**	**0**
Expenses for raw materials and consumables		-19,268	-29,350	0	0
Other external expenses		-34,990	-32,089	-20	-20
Gross profit/loss		**192,008**	**89,994**	**-20**	**-20**
Staff expenses	3	-142,219	-61,024	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-46,542	-18,515	0	0
Profit/loss before financial income and expenses		**3,247**	**10,455**	**-20**	**-20**
Income from investments in subsidiaries		0	0	-7,671	-224
Financial income	4	3,434	4,043	378	3,153
Financial expenses	5	-12,053	-7,485	-512	-506
Profit/loss before tax		**-5,372**	**7,013**	**-7,825**	**2,403**
Tax on profit/loss for the year	6	-8,943	-4,439	345	0
Net profit/loss for the year		**-14,315**	**2,574**	**-7,480**	**2,403**

Balance Sheet 31 December

Assets

		Koncern		Moderselskab	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		69,558	85,270	0	0
Goodwill		464,809	500,617	0	0
Intangible assets	7	**534,367**	**585,887**	**0**	**0**
Other fixtures and fittings, tools and equipment		2,353	2,956	0	0
Leasehold improvements		783	961	0	0
Property, plant and equipment	8	**3,136**	**3,917**	**0**	**0**
Investments in subsidiaries	9	0	0	160,440	171,913
Deposits		0	440	0	0
Fixed asset investments		**0**	**440**	**160,440**	**171,913**
Fixed assets		**537,503**	**590,244**	**160,440**	**171,913**
Trade receivables		36,838	48,393	0	0
Contract work in progress		4,003	4,922	0	0
Other receivables		4,306	8,867	0	0
Deferred tax asset	12	6,273	5,769	0	0
Corporation tax		117	205	117	0
Prepayments	10	1,223	3,932	0	0
Receivables		**52,760**	**72,088**	**117**	**0**
Cash at bank and in hand		**30,958**	**25,000**	**111**	**434**
Currents assets		**83,718**	**97,088**	**228**	**434**
Assets		**621,221**	**687,332**	**160,668**	**172,347**

Balance Sheet 31 December

Liabilities and equity

	Note	Koncern 2020 TDKK	Koncern 2019 TDKK	Moderselskab 2020 TDKK	Moderselskab 2019 TDKK
Share capital		1,000	1,000	1,000	1,000
Retained earnings		92,995	103,656	92,995	103,656
Equity attributable to shareholders of the Parent Company		**93,995**	**104,656**	**93,995**	**104,656**
Minority interests		143,858	153,006	0	0
Equity		**237,853**	**257,662**	**93,995**	**104,656**
Other provisions		0	8,440	0	0
Provisions		**0**	**8,440**	**0**	**0**
Credit institutions		285,618	297,060	50,000	50,000
Long-term debt	13	**285,618**	**297,060**	**50,000**	**50,000**
Credit institutions	13	11,425	28,167	43	42
Prepayments received from customers		898	1,202	0	0
Trade payables		6,396	16,490	20	0
Payables to group enterprises		16,610	17,649	16,610	17,649
Corporation tax		5,369	0	0	0
Other payables		33,677	45,444	0	0
Deferred income	14	23,375	15,218	0	0
Short-term debt		**97,750**	**124,170**	**16,673**	**17,691**
Debt		**383,368**	**421,230**	**66,673**	**67,691**
Liabilities and equity		**621,221**	**687,332**	**160,668**	**172,347**

Subsequent events	1
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Statement of Changes in Equity

Koncern

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	103,657	104,657	153,006	257,663
Exchange adjustments	0	98	98	93	191
Other equity movements	0	-3,280	-3,280	-2,406	-5,686
Net profit/loss for the year	0	-7,480	-7,480	-6,835	-14,315
Equity at 31 December	**1,000**	**92,995**	**93,995**	**143,858**	**237,853**

Moderselskab

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	1,000	103,657	104,657	0	104,657
Exchange adjustments	0	98	98	0	98
Other equity movements	0	-3,280	-3,280	0	-3,280
Net profit/loss for the year	0	-7,480	-7,480	0	-7,480
Equity at 31 December	**1,000**	**92,995**	**93,995**	**0**	**93,995**

Cash Flow Statement 1 January - 31 December

	Note	Koncern 2020 TDKK	2019 TDKK
Net profit/loss for the year		-14,315	2,574
Adjustments	15	64,104	16,135
Change in working capital	16	-2,679	38,328
Cash flows from operating activities before financial income and expenses		**47,110**	**57,037**
Financial income		3,434	4,044
Financial expenses		-12,053	-7,486
Cash flows from ordinary activities		**38,491**	**53,595**
Corporation tax paid		-2,398	-8,647
Cash flows from operating activities		**36,093**	**44,948**
Purchase of intangible assets		-1,844	-119,377
Purchase of property, plant and equipment		-106	-4,335
Business acquisition		0	-171,897
Cash flows from investing activities		**-1,950**	**-295,609**
Change in loans from credit institutions		-28,185	275,227
Cash flows from financing activities		**-28,185**	**275,227**
Change in cash and cash equivalents		**5,958**	**24,566**
Cash and cash equivalents at 1 January		25,000	434
Cash and cash equivalents at 31 December		**30,958**	**25,000**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		30,958	25,000
Cash and cash equivalents at 31 December		**30,958**	**25,000**

Notes to the Financial Statements

1 Subsequent events

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

2 Revenue

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK

The distribution of net revenue by business area does not differ significantly from each other, as the company's net revenue consists solely of advice in online marketing and associated services.

Geographical segments

Denmark	104,729	75,457	0	0
Finland	90,334	47,360	0	0
Finland	51,203	28,616	0	0
	246,266	**151,433**	**0**	**0**

3 Staff expenses

Wages and salaries	122,464	52,686	0	0
Pensions	11,232	4,252	0	0
Other social security expenses	4,826	1,259	0	0
Other staff expenses	3,697	2,827	0	0
	142,219	**61,024**	**0**	**0**
Average number of employees	**308**	**132**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
4 Financial income				
Other financial income	2,421	3,593	378	3,153
Exchange gains	1,013	450	0	0
	3,434	**4,043**	**378**	**3,153**
5 Financial expenses				
Other financial expenses	12,053	7,485	512	506
	12,053	**7,485**	**512**	**506**
6 Tax on profit/loss for the year				
Current tax for the year	8,055	8,210	-117	0
Deferred tax for the year	1,147	-4,127	0	0
Adjustment of tax concerning previous years	-259	356	-228	0
	8,943	**4,439**	**-345**	**0**

Notes to the Financial Statements

7 Intangible assets

Koncern

	Acquired other similar rights	Goodwill
	TDKK	TDKK
Cost at 1 January	87,670	515,989
Additions for the year	0	1,844
Disposals for the year	0	-7,440
Cost at 31 December	87,670	510,393
Impairment losses and amortisation at 1 January	2,400	15,372
Amortisation for the year	15,712	30,212
Impairment losses and amortisation at 31 December	18,112	45,584
Carrying amount at 31 December	**69,558**	**464,809**

Notes to the Financial Statements

8 Property, plant and equipment

Koncern

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	3,605	1,041
Additions for the year	106	0
Cost at 31 December	3,711	1,041
Impairment losses and depreciation at 1 January	649	80
Depreciation for the year	709	178
Impairment losses and depreciation at 31 December	1,358	258
Carrying amount at 31 December	**2,353**	**783**

Notes to the Financial Statements

	Moderselskab	
	2020	2019
	TDKK	TDKK

9 Investments in subsidiaries

	2020 TDKK	2019 TDKK
Cost at 1 January	171,898	0
Additions for the year	238	181,444
Disposals for the year	-860	-9,547
Cost at 31 December	171,276	171,897
Value adjustments at 1 January	16	0
Exchange adjustment	98	0
Net profit/loss for the year	-7,271	182
Amortisation of goodwill	-399	-166
Other adjustments	-3,280	0
Value adjustments at 31 December	-10,836	16
Carrying amount at 31 December	**160,440**	**171,913**
Positive differences arising on initial measurement of subsidiaries at net asset value	0	7,976

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Generaxion Holding A/S	Aarhus	TDKK 3.131	52%

10 Prepayments

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

Notes to the Financial Statements

		Koncern		Moderselskab	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
11	**Distribution of profit**				
	Minority interests' share of net profit/loss of subsidiaries	-6,835	171	0	0
	Retained earnings	-7,480	2,403	-7,480	2,403
		-14,315	**2,574**	**-7,480**	**2,403**
12	**Deferred tax asset**				
	Deferred tax asset at 1 January	5,769	0	0	0
	Amounts recognised in the income statement for the year	-1,147	4,127	0	0
	Andre reguleringer	1,651	1,642	0	0
	Deferred tax asset at 31 December	**6,273**	**5,769**	**0**	**0**

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to fouryears.

Notes to the Financial Statements

13 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
Between 1 and 5 years	285,618	297,060	50,000	50,000
Long-term part	285,618	297,060	50,000	50,000
Within 1 year	11,250	20,000	0	0
Other short-term debt to credit institutions	175	8,167	43	42
Short-term part	11,425	28,167	43	42
	297,043	**325,227**	**50,043**	**50,042**

14 Deferred income

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

Notes to the Financial Statements

		Koncern	
		2020	2019
		TDKK	TDKK
15	**Cash flow statement - adjustments**		
	Financial income	-3,434	-4,043
	Financial expenses	12,053	7,485
	Depreciation, amortisation and impairment losses, including losses and gains on sales	46,542	18,516
	Tax on profit/loss for the year	8,943	4,439
	Other adjustments	0	-10,262
		64,104	**16,135**

		2020	2019
16	**Cash flow statement - change in working capital**		
	Change in receivables	20,184	-66,114
	Change in other provisions	-8,440	8,440
	Change in trade payables, etc	-14,423	96,002
		-2,679	**38,328**

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The group has entered leasing contracts with a remaining term of 3 and 27 months and a total payment of TDKK 1,771. The group has rent obligations of a total of TDKK 14,536, with a non-cancellable period, which varies between 3 month and up to 39 months.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of 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.

18 Fee to auditors appointed at the general meeting

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	210	285	20	20
Other assurance engagements	16	12	0	0
Tax advisory services	0	2	0	0
Andre ydelser	50	83	0	0
	276	**382**	**20**	**20**
Other auditors				
Audit fee	388	388	0	0
	388	**388**	**0**	**0**
	664	**770**	**20**	**20**

Notes to the Financial Statements

19 Accounting Policies

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

The accounting policies applied remain unchanged from last year.

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

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

Notes to the Financial Statements

19 Accounting Policies (continued)

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

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

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

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

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

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

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

Uniting of interests

Pooling of interests

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Notes to the Financial Statements

19 Accounting Policies (continued)

Minority interests

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

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at fair value. In this way, goodwill related to the minority interests' share of the entity acquired is recognised.

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

Translation policies

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

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

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

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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

Notes to the Financial Statements

19 Accounting Policies (continued)

the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Notes to the Financial Statements

19 Accounting Policies (continued)

Balance Sheet

Intangible assets

Property, plant and equipment

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

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

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Investments in subsidiaries and associates

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

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to

Notes to the Financial Statements

19 Accounting Policies (continued)

“Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of .

Receivables

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

Contract work in progress

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

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

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

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

Prepayments

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

Provisions

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

Notes to the Financial Statements

19 Accounting Policies (continued)

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

Deferred income

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

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

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes

Notes to the Financial Statements

19 Accounting Policies (continued)

in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

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

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

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

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