
Generaxion Holding A/S

Sommervej 23A, 1., DK-8210 Aarhus V

Annual Report for 2023

CVR No. 39 17 25 42

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/7 2024

Allan Damborg Jensen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Generaxion Holding A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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.

Aarhus, 1 July 2024

Executive Board

Allan Damborg Jensen
CEO

Board of Directors

Poul Sand
Chairman

Joel Allen Russ

Allan Damborg Jensen

Caroline Lundgaard Jensen

Independent Auditor's report

To the shareholder of Generaxion Holding 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 2023 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 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Generaxion Holding A/S for the financial year 1 January - 31 December 2023, 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' 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 Financial 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.

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 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.

Independent Auditor's report

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 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.

Independent Auditor's report

Trekantområdet, 1 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen

State Authorised Public Accountant

mne18628

Henrik Junker Andersen

State Authorised Public Accountant

mne42818

Company information

The Company	Generaxion Holding A/S Sommervej 23A, 1. 8210 Aarhus V CVR No: 39 17 25 42 Financial period: 1 January - 31 December Municipality of reg. office: Aarhus
Board of Directors	Poul Sand, chairman Joel Allen Russ Allan Damborg Jensen Caroline Lundgaard Jensen
Executive Board	Allan Damborg Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	308,481	270,331	253,357	244,525	236,773
Gross profit	246,703	218,102	208,711	190,286	171,028
Profit/loss of primary operations	2,102	1,947	6,616	1,925	3,503
Profit/loss of financial income and expenses	-15,184	-10,004	-8,537	-6,744	-13,494
Net profit/loss for the year	-24,966	-19,724	-14,257	-15,848	-14,823
Balance sheet					
Balance sheet total	604,628	653,271	606,579	626,716	679,088
Investment in property, plant and equipment	0	2,096	0	106	5,256
Equity	276,427	302,407	299,821	310,018	317,108
Cash flows					
Cash flows from:					
- operating activities	12,447	28,790	22,432	36,414	38,004
- investing activities	-641	-80,655	-22,052	-1,949	-116,657
- financing activities	-16,563	45,276	-13,211	-28,184	78,846
Change in cash and cash equivalents for the year	-4,757	-6,589	-12,831	6,291	193
Number of employees	372	367	309	308	275
Ratios					
Gross margin	80.0%	80.7%	82.4%	77.8%	72.2%
Profit margin	0.7%	0.7%	2.6%	0.8%	1.5%
Return on assets	0.3%	0.3%	1.1%	0.3%	0.5%
Solvency ratio	45.7%	46.3%	49.4%	49.5%	46.7%
Return on equity	-8.6%	-6.6%	-4.7%	-5.1%	-4.7%

Management's review

Key activities

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 2023 shows a loss of TDKK 24,966, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 276,427.

Management considers the results satisfactory and as expected.

Operating risks

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.

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.

Targets and expectations for the year ahead

Profit expectations for the coming years are positive and the expectations is a result as in 2023.

Research and development

The Group has no research and development activities.

Intellectual capital resources

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

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

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

Management's review

Generaxion is one of the leading digital marketing agencies to SMEs in the Nordics, with offices in Denmark, Sweden, Finland and Germany. Generaxion provides broad services such as consulting, search engine optimization, Google Ads, Facebook pages and Ads, websites and videos, and web shops to more than 5,000 small and medium-sized enterprises. Generaxion has the ambition of building a leading European marketing community that is sustainable to the core – because we have a responsibility as an international company towards each other and the next generation. Together, we have dedicated ourselves to three Northern European commitments to sustainability and ambitious local efforts, committing ourselves to making a difference where we can and to inspire others to do the same.

The Group is aware of its environmental, ethical and societal responsibility, which is an integrated part of our business through our three common sustainable commitments: People, Planet and Prosperity. The commitments are a natural continuation of both the Group vision and values and therefore support both the overall strategy, strategic initiatives, and everyday activities.

Generaxion Group values and encourages diversity and inclusion in the workplace and in our community and has a broad work-life balance policy encouraging flexible working hours and tolerance for personal and family issues and or needs. Our staff is our most important resource wherefore we strive at keeping our staff mentally and physically fit.

To support an active and healthy lifestyle, Generaxion encouraged in 2023 employees to participate in several social and physical activities in-house and outside the company. This will continue in 2024 where several activities are planned. Also, our “Generaxion Anywhere” program, which enables employees to work abroad two times a year and meet across countries, has been a success in 2023 and is planned to continue in 2024.

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

The Group's assessed risk in social areas is related to the employee's vulnerability if the culture and working environment do not support their well-being, wherefore appropriate and ongoing surveys and dialogue are an integral part of the Group's day-to-day business.

As the Group has a limited number of suppliers, we consider the risk of human rights violations low. Consequently, no policy has been developed. We will ongoingly consider if a policy is needed.

The Generaxion Group denounces corruption and does not tolerate any kind of bribery or other unethical behavior. The main risks in this area are estimated to be related to sales and procurement. Group management is open to inquiries and has the right channels in place for anonymous inquiries, which are communicated to employees on a regular basis. Regular communication from the management is a central part of ensuring that Generaxion's position on corruption and bribery is clear to all employees.

Generaxion's position on corruption is not to take part, or to accept, any form of fraud or corruption. The Company defines bribery as an act of offering or receiving money, goods or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter. The Company is determined to prevent, detect and deter any form thereof.

The Company is determined to prevent, detect and deter any form thereof. In 2023, no actual infringements were recorded. We plan to continue with the current efforts including ensuring a constant focus in the organization on preventing corruption and constantly strengthening the Group's internal control framework.

Regarding climate change and environmental issues

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 low significant negative impacts on the environment. We strive to minimize our negative impact on the environment and climate change. Internally, we have in 2023 continued to minimize our consumption of energy and resources by setting requirements for equipment and suppliers, where the most important area in our strategy is the commitment to deliver all Generaxion's hosting services on renewable energy – both internally and externally.

Management's review

Furthermore, our offices across Europe have converted to the use of renewable energy sources, and recycling is available at our offices as well.

We plan to continue the work on improving and reducing our consumption of energy and resources in general in 2024, and we are constantly aware of new areas where we can reduce our impact on the environment.

Statement on gender composition

Target for the Board of Directors

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 organization and a positive working climate. In 2023 the Group archived equal gender balance in the Board of Directors as one member left the board, leaving the board consisting of four persons with one woman.

Total number of members: 4
Underrepresented gender in percentage: 25 %

Policy and target for other management levels

The Generaxion Group believes that a diverse management composition, including in terms of gender distribution, contributes to an innovative organization and a positive working climate. 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 2023. To the extent possible, candidates of both genders are assessed for other vacant management positions.

All job postings are designed to be attractive towards both male and female candidates. External talent bureaus must present both male and female candidates.

In addition, the company culture encourages frequent 1:1 meeting between employee and manager, where personal development, career path as well as the possibility of management responsibility can be discussed.

During 2023, Generaxion has made it an integral part of the business, that gender distribution and the focus on diverse management is a regular part of the considerations both in M&A dialogues, restructurings and reorganizations.

Total number of members: 29
Underrepresented gender in percentage: 31 %

Target percentage: 40 %

Year for achieving the target: 2027

Statement on data ethics

We comply with legal requirements and acknowledge and respect that our use of data (both personal data and non-personal data) may create risks for the users that applicable laws do not cover.

We have standards in relation to where we collect data and how we use the data:

- We refrain from extensive collection of data which may be characterized as data-driven surveillance.
- We set standards on ourselves in collecting data from our assets and other sources.

We will develop additional policies and procedures to ensure that we comply with the above-mentioned principles.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	308,481	270,331	5,844	5,218
Expenses for raw materials and consumables		-15,536	-14,712	0	0
Other external expenses		-46,242	-37,517	-7,108	-4,887
Gross profit		246,703	218,102	-1,264	331
Staff expenses	2	-191,729	-166,202	-3,025	-3,172
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-52,872	-49,953	0	0
Profit/loss before financial income and expenses		2,102	1,947	-4,289	-2,841
Income from investments in subsidiaries		0	0	-9,230	-10,889
Financial income	3	892	637	6,026	2,769
Financial expenses	4	-16,076	-10,641	-19,653	-10,377
Profit/loss before tax		-13,082	-8,057	-27,146	-21,338
Tax on profit/loss for the year	5	-11,884	-11,667	2,180	1,614
Net profit/loss for the year	6	-24,966	-19,724	-24,966	-19,724

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		44,108	61,929	0	0
Goodwill		438,214	472,321	0	0
Intangible assets	7	482,322	534,250	0	0
Other fixtures and fittings, tools and equipment		2,606	2,909	0	0
Leasehold improvements		0	0	0	0
Property, plant and equipment	8	2,606	2,909	0	0
Investments in subsidiaries	9	0	0	534,908	535,744
Fixed asset investments		0	0	534,908	535,744
Fixed assets		484,928	537,159	534,908	535,744
Trade receivables		57,255	48,850	105	0
Contract work in progress		44,767	40,093	0	0
Receivables from group enterprises		0	0	72,343	67,098
Other receivables		3,080	6,889	0	0
Deferred tax asset	10	4,475	3,442	1,534	1,679
Corporation tax		0	0	2,825	1,719
Prepayments	11	3,453	5,411	0	0
Receivables		113,030	104,685	76,807	70,496
Cash at bank and in hand		6,670	11,427	214	1,862
Current assets		119,700	116,112	77,021	72,358
Assets		604,628	653,271	611,929	608,102

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		3,260	3,260	3,260	3,260
Retained earnings		273,167	299,147	273,167	299,147
Equity		276,427	302,407	276,427	302,407
Other provisions	12	16,591	22,561	16,591	22,561
Provisions		16,591	22,561	16,591	22,561
Credit institutions		0	227,839	0	227,839
Long-term debt	13	0	227,839	0	227,839
Credit institutions	13	235,546	22,798	235,546	22,798
Prepayments received from customers		240	665	0	0
Trade payables		12,095	10,961	1,789	2,106
Payables to group enterprises		0	0	81,185	30,333
Corporation tax		9,546	6,789	0	0
Other payables		39,986	38,030	391	58
Deferred income	14	14,197	21,221	0	0
Short-term debt		311,610	100,464	318,911	55,295
Debt		311,610	328,303	318,911	283,134
Liabilities and equity		604,628	653,271	611,929	608,102
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Accounting Policies	19				

Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	3,260	299,147	302,407
Exchange adjustments	0	458	458
Purchase of treasury shares	0	-1,594	-1,594
Other equity movements	0	122	122
Net profit/loss for the year	0	-24,966	-24,966
Equity at 31 December	3,260	273,167	276,427

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	3,260	299,147	302,407
Exchange adjustments	0	458	458
Purchase of treasury shares	0	-1,594	-1,594
Other equity movements	0	122	122
Net profit/loss for the year	0	-24,966	-24,966
Equity at 31 December	3,260	273,167	276,427

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		TDKK	TDKK
Result of the year		-24,966	-19,724
Adjustments	15	80,398	69,550
Change in working capital	16	-17,641	-2,027
Cash flow from operations before financial items		37,791	47,799
Financial income		892	637
Financial expenses		-16,076	-10,641
Cash flows from ordinary activities		22,607	37,795
Corporation tax paid		-10,160	-9,005
Cash flows from operating activities		12,447	28,790
Purchase of intangible assets		-483	-79,324
Purchase of property, plant and equipment		-316	-1,331
Sale of property, plant and equipment		158	0
Cash flows from investing activities		-641	-80,655
Repayment of loans from credit institutions		-15,091	0
Raising of loans from credit institutions		0	20,893
Purchase of treasury shares		-1,594	-518
Cash capital increase		0	24,701
Other equity entries		122	200
Cash flows from financing activities		-16,563	45,276
Change in cash and cash equivalents		-4,757	-6,589
Cash and cash equivalents at 1 January		11,427	18,016
Cash and cash equivalents at 31 December		6,670	11,427
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,670	11,427
Cash and cash equivalents at 31 December		6,670	11,427

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Denmark	133,348	140,920	5,844	5,218
Finland	75,844	79,521	0	0
Sweden	44,689	40,319	0	0
Germany	54,600	9,571	0	0
	308,481	270,331	5,844	5,218

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.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	160,925	139,456	2,743	2,511
Pensions	12,934	12,833	269	569
Other social security expenses	9,809	5,490	13	16
Other staff expenses	8,061	8,423	0	76
	191,729	166,202	3,025	3,172

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

Average number of employees	372	367	2	2
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	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	0	0	5,643	2,769
Other financial income	892	637	20	0
Exchange gains	0	0	363	0
	892	637	6,026	2,769

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	0	0	3,644	0
Other financial expenses	15,727	10,488	15,932	8,875
Exchange loss	349	153	77	1,502
	16,076	10,641	19,653	10,377

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	10,451	10,951	-2,825	-1,719
Deferred tax for the year	993	524	145	-82
Adjustment of tax concerning previous years	440	192	500	187
	11,884	11,667	-2,180	-1,614

	Parent company	
	2023	2022
	TDKK	TDKK
6. Profit allocation		
Retained earnings	-24,966	-19,724
	-24,966	-19,724

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Acquired other similar rights	Goodwill
	TDKK	TDKK
Cost at 1 January	127,217	609,478
Additions for the year	85	398
Cost at 31 December	<u>127,302</u>	<u>609,876</u>
Impairment losses and amortisation at 1 January	65,288	137,157
Amortisation for the year	17,906	34,505
Impairment losses and amortisation at 31 December	<u>83,194</u>	<u>171,662</u>
Carrying amount at 31 December	<u>44,108</u>	<u>438,214</u>

8. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	6,962	407
Cost at 31 December	<u>6,962</u>	<u>407</u>
Impairment losses and depreciation at 1 January	4,053	407
Depreciation for the year	303	0
Impairment losses and depreciation at 31 December	<u>4,356</u>	<u>407</u>
Carrying amount at 31 December	<u>2,606</u>	<u>0</u>

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	649,155	566,843
Additions for the year	7,935	82,312
Cost at 31 December	<u>657,090</u>	<u>649,155</u>
Value adjustments at 1 January	-113,411	-100,647
Exchange adjustment	459	-2,074
Net profit/loss for the year	33,882	27,924
Amortisation of goodwill	-43,112	-38,813
Other adjustments	0	199
Value adjustments at 31 December	<u>-122,182</u>	<u>-113,411</u>
Carrying amount at 31 December	<u>534,908</u>	<u>535,744</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Generaxion A/S	Aarhus	DKK 600,000	100%
Generaxion Oy	Tampere	EUR 2,500	100%
Generaxion AB	Stockholm	SEK 50,000	100%
wyn digital GmbH	Hamburg	EUR 25,000	100%

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
10. Deferred tax asset				
Deferred tax asset at 1 January	3,442	5,542	1,679	1,597
Other adjustments	2,026	-1,576	0	0
Amounts recognised in the income statement for the year	-993	-524	-145	82
Deferred tax asset at 31 December	<u>4,475</u>	<u>3,442</u>	<u>1,534</u>	<u>1,679</u>

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

Notes to the Financial Statements

11. Prepayments

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

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

12. Other provisions

Other provisions consist of deferred purchase sums in connection with completed transactions.

Other provisions	16,591	22,561	16,591	22,561
	16,591	22,561	16,591	22,561

The provisions are expected to mature as follows:

Provisions falling due after 5 years	0	0	0	0
	0	0	0	0

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

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:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	0	227,839	0	227,839
Long-term part	0	227,839	0	227,839
Within 1 year	235,546	22,798	235,546	22,798
	235,546	250,637	235,546	250,637

14. Deferred income

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

Notes to the Financial Statements

	Group	
	2023	2022
	TDKK	TDKK
15. Cash flow statement - Adjustments		
Financial income	-892	-637
Financial expenses	16,076	10,641
Depreciation, amortisation and impairment losses, including losses and gains on sales	52,872	49,953
Tax on profit/loss for the year	11,884	11,667
Exchange adjustments	458	-2,074
	80,398	69,550

	Group	
	2023	2022
	TDKK	TDKK
16. Cash flow statement - Change in working capital		
Change in receivables	-7,312	-24,679
Change in other provisions	-5,970	15,011
Change in trade payables, etc	-4,359	7,641
	-17,641	-2,027

17. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The group has entered leasing contracts with a remaining term of 1 and 39 months and a total payment of TDKK 122. The group has rent obligations of a total of TDKK 18,879, with a non-cancellable period, which varies between 3 month and up to 55 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.

Notes to the Financial Statements

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Generaxion TopCo A/S	Parent company

Transactions

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

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Generaxion TopCo A/S	Copenhagen

Notes to the Financial Statements

19. Accounting policies

The Annual Report of Generaxion Holding A/S for 2023 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 Financial Statements and the Parent Company Financial Statements for 2023 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 Holding 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

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. Where the differences are negative, they are recognised immediately in the income statement.

Notes to the Financial Statements

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.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-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 pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

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.

Segment information on revenue

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

Income statement

Revenue

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 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.

Notes to the Financial Statements

Expenses for raw materials and consumables

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

Other external expenses

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

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 Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

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

Customer relations, rights and other similar rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5-7 year.

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.

Notes to the Financial Statements

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
Leasehold improvements	3-5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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

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 “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.

Receivables

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

Contract work in progress

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

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

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

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

Prepayments

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

Notes to the Financial Statements

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.

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, including the tax base of tax loss carry-forwards, 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 liabilities

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 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.

Notes to the Financial Statements

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	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$