

INVERTO Denmark ApS

**c/o Boston Consulting Group
J.C. Jacobsens Gade 12
1799 København V**

CVR no. 39 35 44 70

Annual report for 2023

Adopted at the annual general meeting on 28
June 2024

Christian Marcus Schwarz
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of INVERTO Denmark ApS 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 give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 28 June 2024

Executive board

Christian Marcus Schwarz
Director

Kent André Thuvesson
director

Frank Wierlemann
director

Richard Gregor Machon
director

Independent auditor's report***To the Shareholder of INVERTO Denmark ApS*****Opinion**

We have audited the financial statements of INVERTO Denmark ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 company 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 the 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 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 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 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 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 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.

Independent auditor's report

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.

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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 28 June 2024

Rödl & Partner Danmark

Godkendt Revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
Statsautoriseret Revisor
MNE no. mne32734

Company details**The company**

INVERTO Denmark ApS
c/o Boston Consulting Group
J.C. Jacobsens Gade 12
1799 København V

CVR no.: 39 35 44 70

Reporting period: 1 January - 31 December 2023

Incorporated: 21 February 2018

Financial year: 6th financial year

Domicile: Copenhagen

Executive board

Christian Marcus Schwarz, director
Kent André Thuvesson, director
Frank Wierlemann, director
Richard Gregor Machon, director

Auditors

Rödl & Partner Danmark
Godkendt Revisionsaktieselskab
Store Kongensgade 40H, 2.
1264 København K

Bankers

Jyske Bank A/S
Vesterbrogade 9
1620 København V

General meeting

The annual general meeting is held at the company's address on 28 June 2024.

Management's review

Business review

INVERTO is an international consultancy business and one of Europe's leading specialists in strategic procurement and supply chain management.

INVERTO's services range from identifying and assessing the potential for cost reductions and improving performance, implementing strategies on site, through to optimizing the entire supply chain. Companies get help to become more efficient and stay competitive.

Customers of INVERTO include international groups, leading medium-sized companies from industry and trade and some of the world's largest private equity companies.

INVERTO Denmark ApS established in 2018 operates in the same business area.

INVERTO Denmark ApS is a wholly owned subsidiary of INVERTO GmbH, which is a subsidiary of the Boston Consulting Group.

The company is headquartered in Copenhagen.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 14,757,956, and the balance sheet at 31 December 2023 shows equity of DKK 47,626,806.

Management's review

Following strong growth rates in the last two years in all Nordic markets, INVERTO Denmark ApS continued to invest in the team in 2023. Consulting resources have grown by almost 30% and also additional capacities in the corporate functions have been hired to support the next phase of growth. Despite challenging market conditions, 2023 was dominated by strong demand for INVERTO's services.

In particular in Denmark, INVERTO Denmark ApS managed to win some important engagements during 2023 that will secure a solid local business for 2024. Disruptions of Global supply chains, supply shortages of raw materials and the economic consequences of the Ukrainian were the main drivers for the increased demand for strategic procurement and supply chain management services.

INVERTO's developed talent pool, the continued focus on high quality project delivery and the Global network of consultants within INVERTO and the BCG Group are the main reasons for clients across all Nordic countries to select INVERTO as trusted partner for those transformations.

We will continue to invest in our team to cope with the increased demands and enhance our client portfolio focusing on the biggest impact and value creation possible in line with our corporate values.

Based on the historic strong development of the consulting business overperforming the GDP development in the majority of the European countries combined with the strong demand for our services driven by the trends described above we do not anticipate significant impact on our business even if the economic development should worsen and develop into a recession. Nevertheless, we do monitor the market conditions closely and react accordingly if required.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of INVERTO Denmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit is a summary of net sales and other external costs.

Accounting policies

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Income from services is recognised on a straight-line basis as the services are provided.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises, etc.

Staff costs

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.

Depreciation, amortisation and impairment of other fixtures and fittings tools and equipment

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of tangible fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement.

Balance sheet

Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools & equipment	3 - 12 years	0 %

Deposits

Deposits comprise deposits, which are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of other fixtures and fittings, tools & equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies**Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		51,948,901	53,140,908
Staff costs	1	-32,887,808	-24,244,092
Profit/loss before amortisation/depreciation and impairment losses		19,061,093	28,896,816
Depreciation, amortisation and impairment of tangible fixed assets	2	-131,396	-91,133
Other operating costs		-100,562	0
Profit/loss before net financials		18,829,135	28,805,683
Financial income	3	653,854	263,395
Financial costs	4	-433,690	-405,360
Profit/loss before tax		19,049,299	28,663,718
Tax on profit/loss for the year	5	-4,291,343	-6,363,630
Profit/loss for the year		14,757,956	22,300,088
Retained earnings		14,757,956	22,300,088
		14,757,956	22,300,088

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Other fixtures and fittings, tools and equipment	6	151,101	435,383
Tangible assets		151,101	435,383
Deposits	7	26,584	179,765
Fixed asset investments		26,584	179,765
Total non-current assets		177,685	615,148
Trade receivables		6,133,211	163,302
Contract work in progress		493,861	1,166,207
Receivables from Group enterprises		15,891,688	16,045,326
Other receivables		275,300	22,883
Deferred tax asset		35,089	2,244
Prepayments		91,456	244,836
Receivables		22,920,605	17,644,798
Cash at bank and in hand		54,530,728	38,547,025
Total current assets		77,451,333	56,191,823
Total assets		77,629,018	56,806,971

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		50,000	50,000
Retained earnings		47,576,806	32,818,850
Equity		47,626,806	32,868,850
Other payables		1,506,563	0
Total non-current liabilities		1,506,563	0
Trade payables		802,132	1,128,816
Prepayments received		1,748,610	0
Payables to Group enterprises		13,236,477	10,587,173
Joint taxation contribution		4,324,188	6,350,960
Other payables		8,384,242	5,871,172
Total current liabilities		28,495,649	23,938,121
Total liabilities		30,002,212	23,938,121
Total equity and liabilities		77,629,018	56,806,971

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	50,000	32,818,850	32,868,850
Net profit/loss for the year	0	14,757,956	14,757,956
Equity at 31 December 2023	<u>50,000</u>	<u>47,576,806</u>	<u>47,626,806</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Staff costs		
Wages and salaries	30,606,191	22,477,729
Pensions	1,942,094	1,510,918
Other social security costs	8,641	68,058
Other staff costs	330,882	187,387
	<u>32,887,808</u>	<u>24,244,092</u>
Number of fulltime employees on average	<u>27</u>	<u>23</u>
2 Depreciation, amortisation and impairment of tangible fixed assets		
Depreciation tangible assets	<u>131,396</u>	<u>91,133</u>
	<u>131,396</u>	<u>91,133</u>
3 Financial income		
Interest income from group enterprises	85,305	0
Exchange gains	<u>568,549</u>	<u>263,395</u>
	<u>653,854</u>	<u>263,395</u>
4 Financial costs		
Interest paid to Group Enterprises	55,306	155,885
Other financial costs	5,640	91,521
Exchange loss	93,304	157,954
Percentage surcharge, corporation tax	<u>279,440</u>	<u>0</u>
	<u>433,690</u>	<u>405,360</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
5 Tax on profit/loss for the year		
Current tax for the year	4,324,188	6,351,004
Deferred tax for the year	-32,845	12,626
	<u>4,291,343</u>	<u>6,363,630</u>
6 Tangible assets		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2023		831,423
Disposals for the year		<u>-536,294</u>
Cost at 31 December 2023		<u>295,129</u>
Impairment losses and depreciation at 1 January 2023		385,858
Depreciation for the year		149,836
Impairment and depreciation of sold assets for the year		<u>-391,666</u>
Impairment losses and depreciation at 31 December 2023		<u>144,028</u>
Carrying amount at 31 December 2023		<u>151,101</u>

Notes**7 Fixed asset investments**

	<u>Deposits</u>
Cost at 1 January 2023	179,765
Additions for the year	23,586
Transfers for the year	<u>-176,767</u>
Cost at 31 December 2023	<u>26,584</u>
Carrying amount at 31 December 2023	<u><u>26,584</u></u>

8 Rent liabilities

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Rent liabilities.		
Total future rent payments:		
Within 1 year	3,441,192	337,885
Between 1 and 5 years	<u>2,867,660</u>	<u>1,351,541</u>
	<u><u>6,308,852</u></u>	<u><u>1,689,426</u></u>

9 Related parties and ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

INVERTO GmbH
Lichtstrasse 43i
Germany

Consolidated financial statements

The company is reflected in the group report as the parent company INVERTO GmbH.

The group report of INVERTO GmbH can be obtained at the following address:

Lichtstrasse 43I
D-50825 Germany