

INVERTO Denmark ApS

**Gothersgade 103, 2
1123 København K**

CVR no. 39 35 44 70

Annual report for 2022

Adopted at the annual general meeting on 18
July 2023

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 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 18 July 2023

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 2022, 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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 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.

Independent auditor's report

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, 18 July 2023

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
Gothersgade 103, 2
1123 København K

CVR no.: 39 35 44 70

Reporting period: 1 January - 31 December 2022

Incorporated: 21 February 2018

Financial year: 5th financial year

Domicile: Copenhagen

Executive board

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

Auditors

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

Bankers

Handelsbanken København City
Amaliegade 3
1256 København K

General meeting

The annual general meeting is held at the company's address on 18 July 2023.

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 2022 shows a profit of DKK 22,300,088, and the balance sheet at 31 December 2022 shows equity of DKK 32,868,850.

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 2022. 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 during 2021 driven by the COVID pandemic, 2022 was dominated by strong demand for INVERTO's services.

In particular in Denmark, INVERTO Denmark ApS managed to win some important engagements during 2022 that will secure a solid local business for 2023. 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 2022 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 2022 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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, 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.

Amortisation, depreciation and impairment losses

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.

Accounting policies

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

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 %

Other investments

Other investments 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.

Accounting policies**Prepayments**

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

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>2022</u> DKK	<u>2021</u> DKK
Gross profit		53,140,908	22,336,688
Staff costs	1	<u>-24,244,092</u>	<u>-19,628,589</u>
Profit/loss before amortisation/depreciation and impairment losses		28,896,816	2,708,099
Depreciation, amortisation and impairment of tangible fixed assets	2	-91,133	-96,847
Profit/loss before net financials		28,805,683	2,611,252
Financial income		263,395	0
Financial costs	3	<u>-405,360</u>	<u>-318,350</u>
Profit/loss before tax		28,663,718	2,292,902
Tax on profit/loss for the year	4	<u>-6,363,630</u>	<u>-509,544</u>
Profit/loss for the year		<u>22,300,088</u>	<u>1,783,358</u>
Retained earnings		<u>22,300,088</u>	<u>1,783,358</u>
		<u>22,300,088</u>	<u>1,783,358</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Other fixtures and fittings, tools and equipment	5	<u>435,383</u>	<u>172,565</u>
Tangible assets		<u>435,383</u>	<u>172,565</u>
Deposits	6	<u>179,765</u>	<u>179,765</u>
Fixed asset investments		<u>179,765</u>	<u>179,765</u>
Total non-current assets		<u>615,148</u>	<u>352,330</u>
Trade receivables		163,302	2,141,947
Contract work in progress		1,166,207	0
Receivables from Group enterprises		16,045,326	13,450,750
Other receivables		22,883	98,982
Deferred tax asset		2,244	14,870
Prepayments		<u>244,836</u>	<u>15,890</u>
Receivables		<u>17,644,798</u>	<u>15,722,439</u>
Cash at bank and in hand		<u>38,547,025</u>	<u>10,895,341</u>
Total current assets		<u>56,191,823</u>	<u>26,617,780</u>
Total assets		<u>56,806,971</u>	<u>26,970,110</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		50,000	50,000
Retained earnings		32,818,850	10,518,762
Equity		<u>32,868,850</u>	<u>10,568,762</u>
Trade payables		1,128,816	263,472
Payables to Group enterprises		10,587,173	10,341,074
Joint taxation contribution		6,350,960	1,137,906
Other payables		5,871,172	4,658,896
Total current liabilities		<u>23,938,121</u>	<u>16,401,348</u>
Total liabilities		<u>23,938,121</u>	<u>16,401,348</u>
Total equity and liabilities		<u><u>56,806,971</u></u>	<u><u>26,970,110</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	50,000	10,518,762	10,568,762
Net profit/loss for the year	0	22,300,088	22,300,088
Equity at 31 December 2022	<u>50,000</u>	<u>32,818,850</u>	<u>32,868,850</u>

Notes

	<u>2022</u> DKK	<u>2021</u> DKK
1 Staff costs		
Wages and salaries	22,477,729	18,158,374
Pensions	1,510,918	1,172,314
Other social security costs	68,058	78,251
Other staff costs	187,387	219,650
	<u>24,244,092</u>	<u>19,628,589</u>
Average number of employees	<u>23</u>	<u>19</u>
2 Depreciation, amortisation and impairment of tangible fixed assets		
Depreciation tangible assets	<u>91,133</u>	<u>96,847</u>
	<u>91,133</u>	<u>96,847</u>
3 Financial costs		
Interest paid to Group Enterprises	155,885	149,782
Other financial costs	91,521	97,169
Exchange loss	157,954	59,056
Percentage surcharge, corporation tax	0	12,343
	<u>405,360</u>	<u>318,350</u>
4 Tax on profit/loss for the year		
Current tax for the year	6,351,004	513,238
Deferred tax for the year	12,626	-3,694
	<u>6,363,630</u>	<u>509,544</u>

Notes

5 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2022	506,951
Additions for the year	<u>353,951</u>
Cost at 31 December 2022	<u>860,902</u>
Impairment losses and depreciation at 1 January 2022	334,386
Depreciation for the year	<u>91,133</u>
Impairment losses and depreciation at 31 December 2022	<u>425,519</u>
Carrying amount at 31 December 2022	<u><u>435,383</u></u>

Notes**6 Fixed asset investments**

	<u>Deposits</u>
Cost at 1 January 2022	<u>179,765</u>
Cost at 31 December 2022	<u>179,765</u>
Carrying amount at 31 December 2022	<u><u>179,765</u></u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
7 Rent liabilities		
Rent liabilities.		
Total future rent payments:		
Within 1 year	337,885	306,307
Between 1 and 5 years	<u>1,351,541</u>	<u>157,748</u>
	<u><u>1,689,426</u></u>	<u><u>464,055</u></u>

8 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