

AX VI Edda Group Holding III ApS

Vester Farimagsgade 15, 5., 1606 København V

CVR no. 40 72 76 04

Annual report 2023

Approved at the Company's annual general meeting on 27 June 2024

Chair of the meeting:

.....
Christian Gymos Schmidt-Jacobsen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of AX VI Edda Group Holding III 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 27 June 2024
Executive Board:

.....
Jesper Frydensberg
Rasmussen

Board of Directors:

.....
Christian Gymos Schmidt-
Jacobsen
Chairman

.....
Peter Nyegaard

.....
Jesper Frydensberg
Rasmussen

Independent auditor's report

To the shareholders of AX VI Edda Group Holding III ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of AX VI Edda Group Holding III ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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:

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 27 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant
mne26797

Henrik Pedersen
State Authorised Public Accountant
mne35456

Management's review

Company details

Name	AX VI Edda Group Holding III ApS
Address, Postal code, City	Vester Farimagsgade 15, 5., 1606 København V
CVR no.	40 72 76 04
Established	15 August 2019
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Christian Gymos Schmidt-Jacobsen, Chairman Peter Nyegaard Jesper Frydensberg Rasmussen
Executive Board	Jesper Frydensberg Rasmussen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021
Key figures			
Revenue	1,911,010	2,291,646	1,989,794
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	51,112	63,523	51,377
Profit before interest and tax (EBIT)	-45,425	-25,176	-805
Net financials	-29,930	-12,019	-13,929
Profit/loss before tax	-75,356	-37,196	-14,735
Profit/loss for the year	-70,710	-42,254	-20,254
Fixed assets			
Fixed assets	643,699	672,223	697,600
Non-fixed assets	183,866	446,053	547,222
Total assets	827,565	1,118,276	1,244,822
Investments in property, plant and equipment	0	2,796	2,051
Equity	102,673	168,880	187,430
Cash flows			
Cash flows from operating activities	167,760	-8,007	90,946
Net cash flows from investing activities	-92,205	-114,207	-552,410
Cash flows from financing activities	-159,379	126,441	585,959
Total cash flows	-83,824	4,227	124,495
Financial ratios			
EBITDA-margin	2.7%	2.8%	2.6%
Equity ratio	7.9%	10.0%	9.8%
Return on equity	-51.1%	-23.9%	-23.3%

For terms and definitions, please see the accounting policies.

Key figures related to the income statement is not reflecting the full year effect of completed acquisitions during years.

Management's review

Business review

AX VI Edda Group Holding III was established for the sole purpose of acquiring 100% of the shares in Moment A/S on 01 February 2021 through its subsidiaries AX VI Edda Group Holding II ApS and AX VI Edda Group Holding I ApS. AX VI Edda Group Holding III ApS owns a majority of the shares in AX VI Edda Group Holding II ApS. The remaining shares are owned by management and key employees.

AX VI Edda Group Holding III ApS, together with its subsidiaries (the "Company"), is one of the leading providers of flexible employment services in Scandinavia. It operates through a range of specialist brands including Moment, Eterni, PVS, PVB, Safejob and Chabber. It serves clients across a range of industries with temporary or permanent workforce solutions or access to specialist talent.

The Company is headquartered in Copenhagen, Denmark with its core markets being Denmark, Sweden and Norway. In addition, the company uses recruitment channels in eastern Europe for sourcing of candidates. It has 22 offices, where 261 expert employees support customers in either identifying or fulfilling their workforce needs.

The group is indirectly majority owned by Danish private equity fund Axcel VI. Axcel's ownership corresponds to 64.66% of the ordinary shares. Axcel is a member of DVCA, for which reason the company is governed by DVCA's guidelines.

These guidelines are available on DVCA's website:

<https://aktiveejere.dk/en/guidelines-for-responsible-ownership-and-good-cooperategovernance/>

Recognition and measurement uncertainties

During the financial year, there has been no significant deviation by recognition and measurement of account entries in neither the group accounts nor the financial report respectively. Goodwill and intangibles are tested for impairment annually and there are no indications for impairment.

Financial review

The consolidated reported revenue of the Company amounted to DKK 1,911 million against a revenue of DKK 2,292 million last year. The decline in revenues is primarily driven by difficult market conditions within certain market segments that the company is exposed to.

The consolidated reported EBITDA amounted to DKK 51.1 million against an EBITDA of DKK 63.5 million last year. The Company has incurred non-recurring costs during the financial year related to acquisitions, restructuring and other items which are impacting the reported profitability negatively. Adjusting for these non-recurring items, consolidated reported EBITDA is DKK 70.8 million. The financial performance for the year is below expectations due to the aforementioned difficult market conditions.

Shareholders equity on 31 December 2023 amounted to DKK 102.7 million and consolidated total assets to DKK 827.6 million.

Operating cash flow amounted to DKK 167.7 million, impacted by improved working capital from among things the implementation of a scheme to sell certain customer receivables on a non-recourse basis. In addition to the reported cash the Company has available facilities to secure both operational fluctuations in cash flow and M&A.

Management considers the group's financial performance in the year satisfactory considering the weak market conditions.

Management's review

Knowledge resources

An inherent part of the Company's business model is to identify, attract and retain the best resources for its clients. The low current unemployment and high competition for talented employees is positive for the demand of the Company's services, but also makes it more difficult to source relevant candidates.

Internally, the standardized processes and increased investments in IT systems and digitalization ensure that the Company employees' knowledge is shared and documented. Therefore, the Company's vulnerability related to individual knowledge of employees is assessed to be limited.

Financial risks and use of financial instruments

Due to the nature of the business the Company is exposed to changes in legislation and GDP in each market it operates. These risks are an inherent part of our business operations and managed both through monthly, quarterly, and annual business reviews and planning processes, but the Company also has a deliberate aim to focus on segments having resilience to economic cycles.

The Company is exposed to financial risks related to changes in interest rates and foreign currency. The company uses interest rate swaps to manage its exposure to changes in interest rates. Foreign currency exposures are mainly related to investments in subsidiaries in Norway and Sweden and the Company manages this risk by funding the investments in local currency.

The Company is also exposed to credit risk from its clients. The Company manages this risk through a factoring arrangement and credit insurance combined with internal processes.

The Company uses IT to a significant extent and is vulnerable to interruptions of operations and breaches of the established security. The Company continuously seeks to improve its IT security to ensure that a high level of security is maintained at all times.

Management's review

Statutory CSR report

Our key corporate values are responsibility, passion, and team spirit. For us, responsibility means taking responsibility both for each other from day to day and also for the community we are part of.

As a natural extension of our social responsibility, Edda Group is a part of the UN's CSR program, the Global Compact.

This has always been an underlying part of our business processes, and we always work focused on raising the standards and as a minimum living up to the requirements within the areas of human rights, labor standards, environment, and anti-corruption.

We strive to create a working environment with room for people to be themselves, cheering on differences in perspectives, habits, and core assumptions. By creating opportunities for individuals, we create value together. Therefore, our commitment to operate sustainably and socially beneficially is profound.

There are many ESG considerations to take into account, and we have chosen to focus on the most relevant Sustainable Development Goals (SDGs) for Edda Group and the underlying businesses. The goals we have chosen are where we believe we can have the most significant impact.

The Company engages actively in the public debate with our experience in the labor market. Part of our strategy is to perform analyses among our target groups such as students, graduates, candidates, and a large number of expert groups within the business community. Given our significant size, our participation in the debate is based on statistically well-founded data, which enables decision-makers to base employment policy on facts.

In terms of society, we also take responsibility by improving interaction and flexibility between students, recent graduates as well as more experienced candidates, and the business community. The Company plays an essential role by offering jobs at a large number of Nordic companies and public institutions, thereby contributing by creating better job conditions for many people.

The Company handles the entire job process from advertising to the administration of salary and holiday allowance. Our consultants are specialized in the entire process, and as a temporary worker employed by the Company, we can guarantee that all terms offered to adhere to the applicable legislation and the work is carried out under proper conditions.

Management's review

Business Model

Edda Group is a workforce solutions company offering both flexible placement and permanent placement services to its clients in Denmark, Norway and Sweden.

Within flexible placement services we recruit and manage workers and take care of onboarding, training, payrolling and administration. Within our permanent placement services, we assist clients in hiring the right talent through sourcing, screening, interviewing, and assessment of candidates.

In 2023 we have introduced a new business line with focus on Service. Furthermore, we have organized our services in the following business lines. Office, Production & Logistics, Construction, Service and Education, serving clients within both private and public sectors and a wide range of industries.

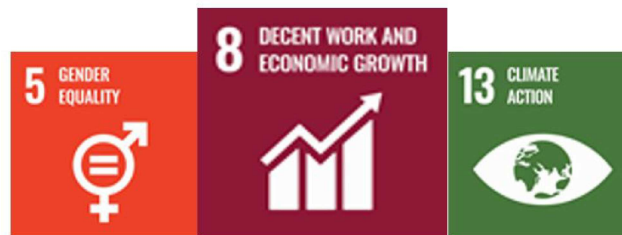
UN Global Compact

Moment A/S acceded to UN Global Compact in 2009. The entire Company, Edda Group, has since 2021 acceded to UN Global Compact.

We have an ESG committee with members of our management and departments. The ESG committee selects focus areas and conducts campaigns, which contribute to the development of the Company's standards i.a. within the ten principles. The ESG committee provides information on the intranet, and internet and through postings gives advice, guidance, and news based on committee meetings.

The full COP report will be on the website of: <https://eddagroup.com/about/>

Our general focus besides the UN Global Compact's ten principles within sustainable development is a special commitment to the following three SDGs:



Human rights

The Company respects and observes international human rights and complies with Danish legislation within the area. Since its establishment, the Company has focused on employee rights and on creating better working conditions for our temporary workers, candidates, and our internal employees. Furthermore, The Company disapproves of all kinds of discrimination based on age, nationality, religion, disability, and the like. Our key risks relate to individual workers labor rights, including wages and benefits, working hours, health, safety, and discrimination. The Company is a member of the industry confederations in Denmark, Norway, and Sweden. Through those organizations, we stay abreast of developments in the labor market and legislation to be able to quickly adapt our procedures for the benefit of those working for the Company.

During 2022, the Company employed a Group Legal Counsel to increase the focus in all of the Nordics on rights and collective agreements and to ensure the education and training of our employees to ensure that we comply with the applicable legislation at all times.

In 2023, the Company employed a specialist HR Director in Norway, to support the focus even further locally, as the company develops.

We expect to continue our education and training on human rights in 2024.

Management's review

Working environment

The Company works on several measures to ensure job satisfaction for both internal employees and temporary workers. We measure job satisfaction for temporary workers at least once a year using an anonymous job satisfaction analysis and an eNPS survey. Every temporary worker has the opportunity to give feedback, and we analyze the inputs so we can improve our processes and services to ensure job satisfaction and well-being.

In addition, we make a staff satisfaction evaluation for internal employees twice a year which includes an assessment of the mental working environment. Every Manager is obliged to dive into the results, and with support from HR, set different focus areas for improving and maintaining a healthy working environment.

Furthermore, the results are discussed with the Top Management, for an overall view of focus areas.

Throughout the year we have had several campaigns focusing on job satisfaction and a healthy working environment.

We have a comprehensive Code of Conduct for our internal employees, including our policies on the working environment. We also focus on continuously improving our internal policies and code of conduct to create a clear framework while ensuring adherence to our work processes.

Our policies include i.a.:

Smoking policy

Alcohol policy

Job satisfaction policy (including zero-tolerance policy towards harassment).

Travel policy

Among others, we have in 2023 worked with a focus on stakeholder management, which provides the employees specific tools, to collaborate even better in work situations both internally and externally and improve different skills.

In 2023, we have also worked with a focus on improving onboarding of new employees, to accommodate a safe and professional start on the employee's new working life.

We also strive to create a variety of social events, to ensure community and networking across all departments. This is highly valued by everyone, and we always experience good support.

Our strong focus on the working environment enables the Company to maintain a strong employer brand, which contributes to the maintenance and attraction of qualified employees.

There is a risk that if we fail to foster a positive work culture or adequately address workload concerns, employees might become disengaged, leading to decreased productivity, higher turnover rates, and increased instances of burnout.

Therefore it is important for Edda Group to keep working on activities supporting the social work environment and employee relations. We will keep this focus in 2024 with different workshops, surveys and other activities.

Management's review

Environment and climate

The Company's consumption of paper and waste is the most significant area that negatively impacts the environment and climate. Therefore, we focus i.e. on reducing our consumption of paper to a minimum, waste sorting, and ensuring deposit funds to the organization 'Pant-for-Pant' where possible.

In 2023 we have been cooperating with a new lunch supplier, which has resulted in a reduction in food waste of 80%. This is good for the environment, the experience of every employee, and the economy. Our coffee is of course Fair Trade and in cooperation with purocoffee.com, we contribute to restoring lands, reintroducing lost species, and protecting areas of rainforest in South Africa.

We continuously work on digitalizing processes to benefit our working environment and the environment in general. As much as possible is handled online, and the need to print to paper is a minimum both internally and for our customers and candidates.

The company uses environmentally friendly solutions, and our purchase policy includes environmental considerations. Moreover, all employees are allowed to work from home and thus avoid using means of transportation to and from work that may harm the environment.

In addition, we monitor and report on our CO2 emissions and take measures when and if required. In 2022 we completed the GHG emissions baseline for scopes 1, 2, and 3, enabling us to prepare more targeted efforts. In 2023 we have signed up for Science Based Targets, which will be a focus for 2024.

Key figures GHG emissions:

Absolute CO2 emissions (Metric tonnes, Scope 1,2,3)	2021	2022
Scope 1	289,29	208,39
Scope 2	319,09	219,60
Scope 3	2 547,96	2 593,94
Absolute global emissions	3 156,34	3 021,93

Scope 1 - Direct emissions from own or controlled sources

Scope 2 - Indirect emissions from purchased energy - market view

Scope 3 - Other indirect emissions occurring in the value chain

Emissions are calculated according to the GHG protocol

Management's review

Anti-corruption

The Company disapproves of any kind of corruption and complies with Danish legislation in the area.

We assess that the most risk within anti-corruption relates to the interaction with suppliers and the receipt of gifts. Therefore, employees at the Company are not allowed to accept gifts. Moreover, the employees are under an obligation not to accept a secret commission or other kinds of services directly related to a transaction from customers, suppliers, or other business relations, irrespective of the value of the service.

To ensure knowledge on the subject, the employees can participate in courses on selected subjects to ensure that they are up to date on legislative requirements and the Company's guidelines. At the same time, the employee manual and intranet which include information on anti-corruption are presented in connection with the onboarding of new employees. No instances of corruption or bribery were identified in 2023.

The company has a whistleblower arrangement that allows our employees and external parties to anonymously report on non-compliance with internal policies and applicable laws and regulations through a third party.

During the fiscal year, the management team discussed the company's anti-corruption policy to enhance knowledge and compliance, emphasizing our zero-tolerance stance. In the future, this policy and related training sessions will be included in the onboarding process for new employees. We also aim to strengthen our compliance measures by regularly reviewing and updating our anti-corruption policies to align with evolving laws and best practices.

Management's review

Report on the gender composition of Management

In general, employees and management in the Company are meant to experience an unprejudiced and open culture where the individual can use his or her skills in the best possible way, regardless of age, ethnic background, and gender. Both women and men have the same opportunities for careers and leadership positions. We always strive to have both genders represented in recruitment processes.

In 2022 we have introduced an internal policy for advancement and career opportunities within the company. This gives the employees the possibility to reflect on internal positions with support from HR, and hopefully bring even more talents for internal positions into the light, regardless of age, gender, ethnic background, and so forth.

The Company's policy about the under-represented gender is reassessed on an ongoing basis to create a basis for increasing gender equality.

Overview

	2023
<i>Supreme governing body</i>	
Total number of members	3
Underrepresented gender in %	0
Target figure in %	33
Year in which the target figure is expected to be met	2026
<i>Other levels of management</i>	
Total number of members	1

Supreme governing body

The board consists of 3 persons that are all men, where the underrepresented gender is 0%. No changes have been made in the Board of Directors during the year and as a result the target of 25% from the under-represented gender was not achieved. The Company targets to have 33% from the under-represented gender in 2026; previous target deadline was 2024.

In the financial year, we have established clear and transparent criteria for board nominations, emphasizing the importance of diversity and we will include qualified female candidates in the selection process. The board members are:

Chairman: Christian Schmidt-Jacobsen, Axcel representative
 Ordinary board member: Peter Nyegaard, Axcel representative
 Ordinary board member: Jesper Frydensberg Rasmussen, Axcel representative

The board members have no other executive functions in the group.

Total shares held directly by the board of directors and executive board (excluding the majority owner Axcel) corresponds to 14.05% of the ordinary shares.

When we are going to identify a new potential candidate for the Board of Directors, we are going to be actively seeking qualified individuals, including those from underrepresented gender, to enhance diversity. With this focus we aim to have at least one member from the underrepresented gender.

Other levels of management

Other levels of management consist of people with personnel responsibility who report directly to the Executive Board. However, as there are no employees in the company, AX VI Edda Group Holding III ApS does not have any other levels of management, thus no target has been set accordingly.

Management's review

Data ethics

The Company has recently implemented a data ethics policy as part of its IT transformation strategy. Our data ethics policy is based on the following principles:

- ▶ **Respect:** We respect the rights and dignity of the data subjects, and we obtain their consent before collecting their data. We also respect the laws and regulations that govern data protection and privacy.
- ▶ **Fairness:** We ensure that our data is as accurate, complete, and representative of the reality as possible.
- ▶ **Transparency:** We disclose the sources, methods, and purposes of our data collection, acquisition and use. We also provide clear and accessible information about our data ethics policy and practices to the data subjects and other stakeholders.
- ▶ **Accountability:** We take responsibility for our data and its use, and we monitor and evaluate the impacts and outcomes of our data activities. We also respond to any feedback, complaints, or requests from the data subjects and other stakeholders.
- ▶ **Beneficence:** We use our data for the public and individual good and the advancement of knowledge to further our business goals, and we avoid any misuse or abuse of our data that may cause harm or damage. We also balance the benefits and risks of our data activities, and we seek to minimize any negative impacts.

With regards to data protection for individuals within the European Union, the Company has implemented the required policies, IT measures and procedures to meet the EU GDPR standards. As the main activities of the group is related with providing flexible employment services our policies related to use of personal data covers a significant area of our informationarchitecture.

Events after the balance sheet date

In order to strengthen the Group's balance sheet and create capacity for future M&A, the shareholders will complete a capital increase of up to DKK 60 million during August 2024. Otherwise, no events significantly affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

For the financial year 2024, the Company expects a neutral or slightly negative (single digit) revenue growth rate driven by continued challenging market conditions across certain market segments and a reported EBITDA in-line or slightly below 2023.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
3	Revenue	1,911,010	2,291,646	0	0
4	Other external expenses	-98,755	-104,049	-127	-75
	Gross profit	1,812,255	2,187,597	-127	-75
5	Staff costs	-1,761,098	-2,123,998	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-96,538	-88,700	0	0
	Other operating expenses	-45	-76	0	0
	Profit/loss before net financials	-45,426	-25,177	-127	-75
6	Financial income	19,782	19,370	6	1
7	Financial expenses	-49,712	-31,389	-26	-98
	Profit/loss before tax	-75,356	-37,196	-147	-172
8	Tax for the year	4,646	-5,058	17	38
	Profit/loss for the year	-70,710	-42,254	-130	-134
Specification of the Group's results of operations:					
	Shareholders in AX VI Edda Group Holding III ApS	-45,301	-27,933		
	Non-controlling interests	-25,409	-14,321		
		-70,710	-42,254		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
		ASSETS			
		Fixed assets			
10	Intangible assets				
	Completed development projects	11,996	3,354	0	0
	Acquired trademarks	47,774	50,473	0	0
	Acquired other similar rights	123,194	132,758	0	0
	Goodwill	455,690	479,028	0	0
		<u>638,654</u>	<u>665,613</u>	<u>0</u>	<u>0</u>
11	Property, plant and equipment				
	Land and buildings	1,558	1,734	0	0
	Fixtures and fittings, other plant and equipment	2,043	3,354	0	0
	Leasehold improvements	559	738	0	0
		<u>4,160</u>	<u>5,826</u>	<u>0</u>	<u>0</u>
12	Investments				
	Investments in group enterprises	0	0	140,053	139,745
	Deposits	885	784	0	0
		<u>885</u>	<u>784</u>	<u>140,053</u>	<u>139,745</u>
	Total fixed assets	<u>643,699</u>	<u>672,223</u>	<u>140,053</u>	<u>139,745</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	122,938	305,842	0	0
	Receivables from group enterprises	0	0	0	2,105
	Corporation tax receivable	2,588	0	0	0
	Joint taxation contribution receivable	0	0	0	244
	Other receivables	4,372	5,322	0	0
13	Prepayments	9,070	6,167	0	0
		<u>138,968</u>	<u>317,331</u>	<u>0</u>	<u>2,349</u>
	Cash	<u>44,898</u>	<u>128,722</u>	<u>155</u>	<u>266</u>
	Total non-fixed assets	<u>183,866</u>	<u>446,053</u>	<u>155</u>	<u>2,615</u>
	TOTAL ASSETS	<u>827,565</u>	<u>1,118,276</u>	<u>140,208</u>	<u>142,360</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2023	2022	2023	2022
		EQUITY AND LIABILITIES			
		Equity			
14	Share capital	178	178	178	178
	Translation reserve	-10,403	-1,496	0	0
	Retained earnings	75,955	112,946	139,929	140,059
	Shareholders in AX VI Edda Group Holding III ApS' share of equity	65,730	111,628	140,107	140,237
	Non-controlling interests	36,943	57,252	0	0
	Total equity	102,673	168,880	140,107	140,237
	Provisions				
15	Deferred tax	38,246	40,066	0	0
	Total provisions	38,246	40,066	0	0
	Liabilities other than provisions				
16	Non-current liabilities other than provisions				
	Bank debt	243,614	368,165	0	0
	Other payables	70,446	74,095	0	0
		314,060	442,260	0	0
	Current liabilities other than provisions				
16	Short-term part of long-term liabilities other than provisions	26,182	35,238	0	0
	Bank debt	14,545	78,550	0	0
	Trade payables	16,454	10,616	0	0
	Corporation tax payable	0	7,374	0	0
	Joint taxation contribution payable	0	0	13	2,035
18	Other payables	315,405	335,292	88	88
		372,586	467,070	101	2,123
	Total liabilities other than provisions	686,646	909,330	101	2,123
	TOTAL EQUITY AND LIABILITIES	827,565	1,118,276	140,208	142,360

- 1 Accounting policies
- 2 Events after the balance sheet date
- 9 Appropriation of profit/loss
- 19 Contractual obligations and contingencies, etc.
- 20 Security and collateral
- 21 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group				Non-controlling interests	Total equity
		Share capital	Translation reserve	Retained earnings	Total		
		Equity at 1 January 2022	152	6,443	115,110		
Capital injection from non-controlling interest	0	0	0	0	10,995	10,995	
Disposals on corporate sale	0	0	922	922	-922	0	
Capital increase	26	0	26,110	26,136	0	26,136	
Transfer through appropriation of loss	0	0	-27,933	-27,933	-14,321	-42,254	
Adjustment of investments through foreign exchange adjustments	0	-7,939	0	-7,939	-4,090	-12,029	
Other value adjustments of equity	0	0	-1,263	-1,263	-135	-1,398	
Equity at 1 January 2023	178	-1,496	112,946	111,628	57,252	168,880	
Capital injection from non-controlling interest	0	0	0	0	18,750	18,750	
Disposals on corporate sale	0	0	1,691	1,691	-1,691	0	
Transfer through appropriation of loss	0	0	-45,301	-45,301	-25,409	-70,710	
Adjustment of investments through foreign exchange adjustments	0	-8,907	0	-8,907	-5,018	-13,925	
Other value adjustments of equity	0	0	6,619	6,619	-6,941	-322	
Equity at 31 December 2023	178	-10,403	75,955	65,730	36,943	102,673	

Note	DKK'000	Parent company		
		Share capital	Retained earnings	Total
Equity at 1 January 2022		152	114,083	114,235
Capital increase		26	26,110	26,136
9 Transfer, see "Appropriation of profit/loss"		0	-134	-134
Equity at 1 January 2023		178	140,059	140,237
9 Transfer, see "Appropriation of profit/loss"		0	-130	-130
Equity at 31 December 2023		178	139,929	140,107

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Cash flow statement

Note	DKK'000	Group	
		2023	2022
	Profit/loss for the year	-70,710	-42,254
22	Adjustments	121,823	105,673
	Cash generated from operations (operating activities)	51,113	63,419
23	Changes in working capital	162,094	-46,296
	Cash generated from operations (operating activities)	213,207	17,123
	Interest received, etc.	3,840	1,446
	Interest paid, etc.	-38,280	-21,709
	Income taxes paid	-11,007	-4,867
	Cash flows from operating activities	167,760	-8,007
	Investment in intangible assets	-12,669	-4,046
	Investments in property, plant and equipment	-239	-2,796
24	Acquisition of companies and activities	-70,336	-61,951
	Other cash flows from investing activities	-8,961	-45,414
	Cash flows to investing activities	-92,205	-114,207
	Proceeds of debt to credit institutions	-1,606	134,801
	Repayments, debt to credit institutions	-176,523	-45,491
	Cash capital contribution from parent	0	26,136
	Cash contribution from non-controlling interest	18,750	10,995
	Cash flows from financing activities	-159,379	126,441
	Net cash flow	-83,824	4,227
	Cash and cash equivalents at 1 January	128,722	124,495
25	Cash and cash equivalents at 31 December	44,898	128,722

The cash flow statement cannot be directly derived from the other components of the consolidated and parent company financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of AX VI Edda Group Holding III ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of group entities which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating 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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5-10 years
Acquired trademarks	15 years
Acquired other similar rights	4-7 years
Goodwill	10 years
Land and buildings	25 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is usually ten years, however, in certain cases it may be longer up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Other intangible assets include development projects and other acquired intangible rights, including software, Trademarks and customer relations.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years and cannot exceed 10 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits

Prepaid deposit in connection to lease agreements are booked as deposits.

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash and cash equivalents comprise cash on hand and cash deemed readily available, and bank overdrafts.

Equity

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Grants without consideration within a group

Grants to subsidiaries without consideration are recognised as a capital injection under "Investments in group entities". Grants received from the parent company are recognised under "Retained earnings in equity" in the balance sheet as a capital injection.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

In order to strengthen the Group's balance sheet and create capacity for future M&A, the shareholders will complete a capital increase of up to DKK 60 million during August 2024. Otherwise, no events significantly affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	Group		Parent company	
	2023	2022	2023	2022
3 Segment information				
Breakdown of revenue by geographical segment:				
Denmark	1,040,095	1,186,698	0	0
Norway	631,969	843,681	0	0
Sweden	238,946	261,267	0	0
	<u>1,911,010</u>	<u>2,291,646</u>	<u>0</u>	<u>0</u>

4 Fee to the auditors appointed in general meeting

Statutory audit	1,586	1,907	86	94
Assurance engagements	0	62	0	0
Tax assistance	40	0	0	0
Other assistance	486	1,502	37	40
	<u>2,112</u>	<u>3,471</u>	<u>123</u>	<u>134</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2023	2022	2023	2022
5 Staff costs and incentive programmes				
Wages/salaries	1,513,811	1,829,347	0	0
Pensions	79,099	81,846	0	0
Other social security costs	126,040	165,666	0	0
Other staff costs	42,148	47,139	0	0
	<u>1,761,098</u>	<u>2,123,998</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>4,469</u>	<u>5,511</u>	<u>0</u>	<u>0</u>

Group

The Group did not pay any remuneration to Management during the financial year. Remuneration paid in the year of comparison is DKK 0.

Incentive programmes

To incentivise and to link management and key employees closer to the group, the group company AX VI Edda Group Holding II ApS has established an incentive scheme (warrants) for the Company's Board of Directors, Executive Management and others senior executives in the group. Under this programme, warrants have been issued in the years 2021, 2022 and 2023.

The warrants issued under all schemes will lapse without settlement of differences if no exercise takes place or if employment or position as a director cease after 1 February 2025 without the criteria for being a "good leaver" is met.

Parent company

The parent company did not pay any remuneration to Management during the financial year. Remuneration paid in the year of comparison is DKK 0.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2023	2022	2023	2022
6 Financial income				
Other interest income	3,726	1,193	0	0
Exchange adjustments	11,931	12,925	0	0
Fair value adjustments of financial instruments	0	1,797	0	0
Reversed debt	4,011	3,200	0	0
Other financial income	114	255	6	1
	<u>19,782</u>	<u>19,370</u>	<u>6</u>	<u>1</u>
7 Financial expenses				
Other interest expenses	39,407	21,579	0	0
Exchange losses	5,764	7,775	0	0
Fair value adjustments of financial instruments	1,670	0	0	0
Other financial expenses	2,871	2,035	26	98
	<u>49,712</u>	<u>31,389</u>	<u>26</u>	<u>98</u>
8 Tax for the year				
Estimated tax charge for the year	1,816	10,369	-17	-38
Deferred tax adjustments in the year	-6,110	-6,391	0	0
Tax adjustments, prior years	-352	1,080	0	0
	<u>-4,646</u>	<u>5,058</u>	<u>-17</u>	<u>-38</u>

Group

The group's effective tax rate was materially affected by permanent differences related to depreciations including non-tak deductible excess values from business combinations (mainly goodwill).

DKK'000	Parent company	
	2023	2022
9 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	<u>-130</u>	<u>-134</u>
	<u>-130</u>	<u>-134</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Intangible assets

	Group				Total
	Completed development projects	Acquired trademarks	Acquired other similar rights	Goodwill	
DKK'000					
Cost at 1 January 2023	5,584	56,308	176,057	562,302	800,251
Foreign exchange adjustments	0	-2,066	-2,998	-16,426	-21,490
Additions on business acquisition	0	3,000	20,901	50,719	74,620
Additions	9,992	0	2,679	0	12,671
Disposals	0	0	-240	-101	-341
Cost at 31 December 2023	15,576	57,242	196,399	596,494	865,711
Impairment losses and amortisation at 1 January 2023	2,230	5,835	43,299	83,274	134,638
Foreign exchange adjustments	0	-152	-422	-1,686	-2,260
Amortisation for the year	1,350	3,785	30,568	59,317	95,020
Amortisation and impairment losses of disposals for the year	0	0	0	-101	-101
Reversal of accumulated amortisation and impairment of assets disposed	0	0	-240	0	-240
Impairment losses and amortisation at 31 December 2023	3,580	9,468	73,205	140,804	227,057
Carrying amount at 31 December 2023	11,996	47,774	123,194	455,690	638,654

Goodwill

Goodwill arising from business acquisitions, etc., is distributed at the acquisition date to the cash-generating units that are expected to obtain financial benefits from the business combination.

The Group manages and monitors goodwill separately per CGU.

Goodwill is tested for impairment at least annually and if there is indication of impairment.

Completed development projects

Development projects comprises direct and indirect costs attributable to the groups digital platform, which i.a. includes recruiting and staff scheduling systems Momentos and Bright Planning and websites. Based on budgets, management expects future cash flow from the development projects that exceeds the booked value.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment

DKK'000	Group			Total
	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	
Cost at 1 January 2023	1,837	5,415	986	8,238
Foreign exchange adjustments	-115	-31	-2	-148
Additions on business acquisition	0	21	0	21
Additions	0	91	147	238
Disposals	0	-487	-13	-500
Cost at 31 December 2023	1,722	5,009	1,118	7,849
Impairment losses and depreciation at 1 January 2023	103	2,061	248	2,412
Foreign exchange adjustments	-5	-20	1	-24
Depreciation	66	1,176	323	1,565
Reversal of accumulated depreciation and impairment of assets disposed	0	-251	-13	-264
Impairment losses and depreciation at 31 December 2023	164	2,966	559	3,689
Carrying amount at 31 December 2023	1,558	2,043	559	4,160

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Group
	Deposits
Cost at 1 January 2023	784
Additions on merger/corporate acquisition	101
Cost at 31 December 2023	885
Carrying amount at 31 December 2023	885
	Parent company
DKK'000	Investments in group enterprises
Cost at 1 January 2023	139,745
Additions	308
Cost at 31 December 2023	140,053
Carrying amount at 31 December 2023	140,053

Parent company

Name	Domicile	Interest
AX VI Moment Holding II ApS	Copenhagen, DK	64.26%
AX VI Moment Holding I ApS	Copenhagen, DK	100.00%
Edda Group ApS	Copenhagen, DK	100.00%
Moment A/S	Copenhagen, DK	100.00%
Chabber ApS	Copenhagen, DK	100.00%
Pædagogisk Vikarbureau ApS	Copenhagen, DK	100.00%
Kavaleriet ApS	Copenhagen, DK	100.00%
Eterni Holding AS	Bergen, NO	100.00%
Edda Group Sweden AB	Linköping, SE	100.00%
Eterni Sverige AB	Västervik, SE	100.00%
Edda Group Norway AS	Bergen, NO	100.00%
Pedagoisk Vikarsentral AS	Bergen, NO	100.00%
Pedagoisk Vikarsentral Sverige AB	Strömstad, SE	100.00%
Safejob Bergen AS	Bergen, NO	100.00%
Eterni Norge AS	Bergen, NO	100.00%
Eterni Danmark ApS	Hirtshals, DK	100.00%

13 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, licenses and subscriptions.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Share capital

Analyses of the share capital:

- ▶ 176,588.28 B shares of DKK 1 nominal value each (2021: 150,507.28 B shares)
- ▶ 1,783.72 C shares of DKK 1 nominal value each (2021: 1,728.72 C shares)

B and C shares have advance dividends rights compared to A shares. In the articles of association are the preference dividend relationship between B and C shares defined.

DKK'000	Group		Parent company	
	2023	2022	2023	2022
15 Deferred tax				
Deferred tax at 1 January	40,066	42,216	0	0
Change in deferred tax	-6,110	-6,391	0	0
Additions on acquisition	5,268	4,820	0	0
Exchange adjustment	-978	-579	0	0
Deferred tax at 31 December	38,246	40,066	0	0

Provisions for deferred tax comprise deferred tax regarding trade receivables, trade payables, intangible assets, property, plant and equipment and financial instruments.

16 Non-current liabilities other than provisions

DKK'000	Group			
	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Bank debt	267,820	24,206	243,614	0
Other payables	72,422	1,976	70,446	67,843
	340,242	26,182	314,060	67,843

Other payables mainly consist of Holiday liabilities in connection with the New Danish Holiday Act. Furthermore are included Earn-Out debt for DKK 800 thousand, which are due for payment in 2024. The Earn-Out liability are based on management assessment of the likelihood of the targets for the Earn-Out will be met.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

17 Derivative financial instruments

Group

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2023.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	<u>Interest rate swap</u>
Group	
Fair value at year end	127
Unrealised fair value adjustments for the year, recognised in the income statement	-1,670
Fair value level	2

Group

The Group has an interest rate swap embedded in its financing agreement with its bank, which determines the base interest rate. The value is based on the banks reference course on the balance sheet date.

18 Other payables

Other short-term payables consist of VAT, Holiday liabilities and salaries including salary taxes.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The groups ongoing operations and the use of temporary workers involve a general risk of claims against the group for violation of the applicable law in the field.

The group is involved from time to time in disputes with customers and temporary workers. Appropriate provisions are made on an ongoing basis. Management believes that the likely outcome of these disputes can be covered by the provisions made and recognized in the balance sheet at 31 December 2023.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
	2023	2022	2023	2022
DKK'000				
Rent and lease liabilities	31,308	18,679	0	0

Group

The Group's bank has provided a guarantee of DKK 1.784 thousand to the Group's rental commitment.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes the income year 2021 and withholding taxes falling due for payment in the group of jointly taxed entities.

20 Security and collateral

Group

As security for the payment of public taxes and rent for a total of DKK 36.3 million, a bank guarantee has been provided against the submission of DKK 22.5 million mortgage on accounts receivable.

As security for invoice loans for a total of DKK 0.0 million, DKK 10.6 million has been pledged in accounts.

As security for the groups bank debt, the shares in Edda Group ApS has been provided as security. This collateral has been provided by AX VI Group Holding 1 ApS.

Furthermore the shares in Moment A/S and Eterni Holding AS has been provided as security for the groups bank debt. This collateral has been provided by Edda Group ApS.

Additionally the shares in Eterni Gruppen AS, Eterni Norge AS and Pedagogisk Vikarsentral AS have been provided as security towards the parent company's bank debt. This collateral has been provided by Moment A/S, Eterni Holding AS and Eterni Gruppen AS.

The group has provided a surety bond regarding the factoring agreement with Midt Factoring.

Parent company

The parent Company has not provided any security or other collateral in assets at 31 December 2023.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

21 Related parties

Group

Related party transactions

The Group and Parent Company have not had any transactions with related parties, besides capital increase.

AX VI Edda Group Holdings III' related parties with significant influence include the company's Board of Directors and Executive Management.

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

Parent company

Significant influence

<u>Related party</u>	<u>Domicile</u>	<u>Basis for significant influence</u>
Axcel VI K/S	Copenhagen	Participating interest
Axcel VI K/S 2	Copenhagen	Participating interest

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group	
	2023	2022
22 Adjustments		
Amortisation/depreciation and impairment losses	96,538	88,700
Financial income	-19,778	-19,370
Financial expenses	49,712	31,285
Tax for the year	-4,649	5,058
	<u>121,823</u>	<u>105,673</u>
23 Changes in working capital		
Change in receivables	187,922	122,432
Change in trade and other payables	-25,828	-168,728
	<u>162,094</u>	<u>-46,296</u>
24 Acquisition of enterprises and activities		
Intangible assets	23,900	23,887
Property, plant and equipment	21	72
Financial assets	217	23
Receivables	10,634	18,250
Cash	11,968	18,679
Deferred tax	-5,268	-5,249
Trade payables	-1,122	-2,351
Other payables	-8,765	-27,631
	<u>31,585</u>	<u>25,680</u>
Goodwill	50,719	54,950
Cost of acquisition	<u>82,304</u>	<u>80,630</u>
Cash	-11,968	-18,679
Cost of acquisition paid in cash	<u>70,336</u>	<u>61,951</u>
25 Cash and cash equivalents at year-end		
Cash according to the balance sheet	<u>44,898</u>	<u>128,722</u>
	<u>44,898</u>	<u>128,722</u>

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