Fiona Acquisition ApS

Tuborg Boulevard 12, DK-2900 Hellerup

Annual Report for 18 September - 31 December 2019

CVR No 40 79 75 64

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/5 2020

Magnus Christensen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fiona Acquisition ApS for the financial year 18 September - 31 December 2019.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019.

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

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

Copenhagen, 29 February 2020

Executive Board

Michael Koefoed Steensborg
Drejer
Executive Officer

Board of Directors

Joachim Horst Scholz

Stefan Andreas Walter Happak

Independent Auditor's Report

To the Shareholders of Fiona Acquisition ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 18 September - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Fiona Acquisition ApS for the financial year 18 September - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

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

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

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

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

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

Hellerup, 29 February 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild	Niels Henrik B. Mikkelsen
statsautoriseret revisor	statsautoriseret revisor
mne33262	mne16675

Company Information

The Company	Fiona Acquisition ApS Tuborg Boulevard 12 DK-2900 Hellerup CVR No: 40 79 75 64 Financial period: 18 September - 31 December Incorporated: 18 September 2019 Financial year: 1st financial year Municipality of reg. office: Hellerup
Board of Directors	Joachim Horst Scholz Stefan Andreas Walter Happak
Executive Board	Michael Koefoed Steensborg Drejer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over the first period of operation, the development of the Group is described by the following financial highlights:

	Group 18/9 - 31/12 2019 TDKK
Key figures	
Profit/loss	
Revenue	33.454
Gross profit/loss	14.046
Operating profit/loss	-10.758
Profit/loss before financial income and expenses	-10.684
Net financials	-1.657
Net profit/loss for the year	-13.831
Balance sheet	
Balance sheet total	301.786
Equity	63.177
Cash flows	
Cash flows from:	
- operating activities	27.925
- investing activities	-198.351
including investment in property, plant and equipment	-15.695
- financing activities	195.022
Change in cash and cash equivalents for the year	24.596
Number of employees	354
Ratios	
Gross margin	42,0%
Profit margin	-31,9%
Return on assets	-3,5%
Solvency ratio	20,9%
Return on equity	-43,8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Consolidated and Parent Company Financial Statements of Fiona Acquisition ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Key activities

Fiona Acquisition and subsidiaries (hereafter "FFW") is a digital agency. For more that 20 years FFW has delivered services within digital technology, data, strategy, design and UX, mainly for medium and large enterprises, governmental and NGO's. FFW has a strong global presence and is the World's largest Drupal-focused agency. FFW also offers Sitecore, React and other platforms.

Market overview

FFW operates in a global digital market, where future and existing customers, employees as well as subcontractors are globally based and operates in various countries and regions. This provides significant opportunity for maintaining and growing the customer base, while attracting the best employees and subcontractors.
The global presence adds complexity to the FFW operations, and it is a focus to continue optimizing and simplifying the group further in the coming years.
The Group's revenue is approximately 50/50 split between US and Europe. In Europe, Denmark represents the largest share of the revenue.

Development in the year

This is the first annual report for FFW under the new Fiona Acquisition ApS ownership. It represents approximately 100 days of trading for the parent company, and approximately 40 days of trading for the FFW entities, as the FFW entities were acquired by Celine Sieben GmbH, Fiona Acquisitions ApS' parent company, on 12 November 2020.
The performance has been satisfactory.
In the group accounts the performance has expectedly been negatively effected by acquisition costs.
The income statement of the Group for 2019 shows a loss of DKK 13.831.095, and at 31 December 2019 the balance sheet of the Group shows equity of DKK 63.177.143.

Capital resources

The Group is financed mainly via long-term loans.

Management's Review

Special risks - operating risks and financial risks

Operating risks

The biggest operational risk in the Group is related to a (however not expected) potential slowdown in the market for digital services, which could be generated by a potential worldwide recession. The Group is mitigating this risk by diversifying its customer base, operating in various countries with different digital maturity level and moving revenue from single-project sales to recurring contracts focusing on maintenance, support, security and optimization.

Foreign exchange risks

The main risk related to currency is the USD/DKK rate. With approximately 55% of the global revenue invoiced in USD the effect on revenue is significantly affected by larger fluctuations in USD/DKK rate. The EBT effect is however limited as approximately 50% of the costs are paid in USD. Besides USD, most transactions for revenue as well as costs are incurred in EUR, DKK or BGN, implying no or low risk, as the parent company is reporting in DKK.

Interest rate risks

The interest-bearing debt it the group will fluctuate with the increases in general interest rates, if EURIBOR increases to above 0.0%

Credit risks

There are rarely losses in the group companies. In 2019, a total of 1.3 mDKK has been accrued for, related to two specific customers. Based on the historic trends, we expect losses for normalize at a lower level the coming year.

Liquidity risks

The Group focuses on having a satisfactory flexibility and minimize risks. At 31 December 2019, the Group had a total of 21.5 mDKK available cash.

Expectations for 2020

For 2020, the Group expects revenue growth both in US as well as EU. EBITDA-margin is expected to increase due to improved capacity planning and stronger utilization of the Group's skilled teams and subcontractors.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Management's Review

Unusual events

The financial position at 31 December 2019 of the Group and the results of the activities and cash flows of the Group for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

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

Income Statement 18 September - 31 December

	Note	Group 2019 DKK	Parent 2019 DKK
Revenue		**33.454.191**	**0**
Other operating income		73.303	0
Other external expenses		-19.481.311	-202.500
Gross profit/loss		**14.046.183**	**-202.500**
Staff expenses	1	-21.381.800	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-3.348.825	0
Profit/loss before financial income and expenses		**-10.684.442**	**-202.500**
Income from investments in subsidiaries	3	0	-1.213.567
Financial income		86.332	0
Financial expenses		-1.743.338	-1.104.336
Profit/loss before tax		**-12.341.448**	**-2.520.403**
Tax on profit/loss for the year	4	-1.489.647	277.769
Net profit/loss for the year		**-13.831.095**	**-2.242.634**

Balance Sheet 31 December

Assets

	Note	Group 2019 DKK	Parent 2019 DKK
Acquired customer contracts		84.541.240	0
Goodwill		109.371.545	0
Intangible assets	5	**193.912.785**	**0**
Plant and machinery		15.077.710	0
Property, plant and equipment	6	**15.077.710**	**0**
Investments in subsidiaries	7	0	241.762.733
Fixed asset investments		**0**	**241.762.733**
Fixed assets		**208.990.495**	**241.762.733**
Trade receivables		56.598.562	0
Contract work in progress	8	5.409.066	0
Other receivables		2.919.426	943.071
Deferred tax asset		671.306	0
Corporation tax		579.449	277.769
Prepayments	9	2.021.880	0
Receivables		**68.199.689**	**1.220.840**
Cash at bank and in hand		**24.595.700**	**3.117.416**
Currents assets		**92.795.389**	**4.338.256**
Assets		**301.785.884**	**246.100.989**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2019 DKK	Parent 2019 DKK
Share capital		50.001	50.001
Share premium account		76.908.718	76.908.718
Retained earnings		-13.831.095	-2.242.634
Equity attributable to shareholders of the Parent Company		**63.127.624**	**74.716.085**
Minority interests		49.519	0
Equity	10	**63.177.143**	**74.716.085**
Provision for deferred tax		14.136.710	0
Provisions		**14.136.710**	**0**
Borrowings		102.085.902	102.085.902
Other payables		30.970.310	30.970.310
Long-term debt	12	**133.056.212**	**133.056.212**
Borrowings	12	6.224.748	6.224.748
Prepayments received from customers		20.733.497	0
Trade payables		6.769.965	2.116.291
Payables to group enterprises		9.703.079	0
Corporation tax		3.255.323	0
Other payables	12	44.729.207	29.987.653
Short-term debt		**91.415.819**	**38.328.692**
Debt		**224.472.031**	**171.384.904**
Liabilities and equity		**301.785.884**	**246.100.989**
Distribution of profit	11		
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Statement of Changes in Equity

Group

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 18 September	0	0	0	0	0	0
Cash payment concerning formation of entity	50.000	0	0	50.000	0	50.000
Cash capital increase	1	76.908.718	0	76.908.719	0	76.908.719
Net profit/loss for the year	0	0	-13.831.095	-13.831.095	49.519	-13.781.576
Equity at 31 December	**50.001**	**76.908.718**	**-13.831.095**	**63.127.624**	**49.519**	**63.177.143**

Parent

	Share capital	Share premium account	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 18 September	0	0	0	0	0	0
Cash payment concerning formation of entity	50.000	0	0	50.000	0	50.000
Cash capital increase	1	76.908.718	0	76.908.719	0	76.908.719
Net profit/loss for the year	0	0	-2.242.634	-2.242.634	0	-2.242.634
Equity at 31 December	**50.001**	**76.908.718**	**-2.242.634**	**74.716.085**	**0**	**74.716.085**

Cash Flow Statement 18 September - 31 December

	Note	Group 2019
		DKK
Net profit/loss for the year		-13.831.095
Adjustments	13	6.495.478
Change in working capital	14	36.254.045
Cash flows from operating activities before financial income and expenses		**28.918.428**
Financial income		86.332
Financial expenses		-1.743.338
Cash flows from ordinary activities		**27.261.422**
Corporation tax paid		663.092
Cash flows from operating activities		**27.924.514**
Purchase of intangible assets		-196.643.951
Purchase of property, plant and equipment		-15.695.369
Acquired deferred tax liability		13.988.539
Cash flows from investing activities		**-198.350.781**
Loans obtained		108.310.650
Repayment of payables to group enterprises		9.703.079
Minority interests		49.519
Cash capital increase		76.958.719
Cash flows from financing activities		**195.021.967**
Change in cash and cash equivalents		**24.595.700**
Cash and cash equivalents at 18 September		0
Cash and cash equivalents at 31 December		**24.595.700**
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		24.595.700
Cash and cash equivalents at 31 December		**24.595.700**

Notes to the Financial Statements

		Group	Parent
		2019	2019
		DKK	DKK

1 Staff expenses

	Group 2019 DKK	Parent 2019 DKK
Wages and salaries	18.594.498	0
Pensions	696.162	0
Other social security expenses	1.263.019	0
Other staff expenses	828.121	0
	21.381.800	**0**
Average number of employees	**354**	**0**

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

2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2019 DKK	Parent 2019 DKK
Amortisation of intangible assets	2.731.166	0
Depreciation of property, plant and equipment	617.659	0
	3.348.825	**0**
Which is specified as follows:		
Acquired customer contracts	1.190.722	0
Goodwill	1.540.444	0
Plant and machinery	617.659	0
	3.348.825	**0**

3 Income from investments in subsidiaries

	Parent 2019 DKK
Share of profits of subsidiaries	1.875.937
Amortisation of goodwill	-3.089.504
	-1.213.567

Notes to the Financial Statements

	Group	Parent
	2019	2019
	DKK	DKK
4 Tax on profit/loss for the year		
Current tax for the year	1.489.647	-277.769
	1.489.647	**-277.769**

5 Intangible assets

Group

	Acquired customer contracts	Goodwill	Total
	DKK	DKK	DKK
Cost at 18 September	0	0	0
Net effect from merger and acquisition	85.731.962	110.911.989	196.643.951
Cost at 31 December	85.731.962	110.911.989	196.643.951
Impairment losses and amortisation at 18 September	0	0	0
Amortisation for the year	1.190.722	1.540.444	2.731.166
Impairment losses and amortisation at 31 December	1.190.722	1.540.444	2.731.166
Carrying amount at 31 December	**84.541.240**	**109.371.545**	**193.912.785**
Amortised over	10 years	10 years	

The life expectancy of acquired goodwill is assessed by management at 10 years.
the life life expectancy of acquired similar rights is assessed by management at 10 years

Notes to the Financial Statements

6 Property, plant and equipment

Group

	Plant and machinery
	DKK
Cost at 18 September	0
Exchange adjustment	29.212
Net effect from merger and acquisition	19.775.631
Additions for the year	211.269
Cost at 31 December	20.016.112
Impairment losses and depreciation at 18 September	0
Exchange adjustment	-18.436
Net effect from merger and acquisition	4.339.179
Depreciation for the year	617.659
Impairment losses and depreciation at 31 December	4.938.402
Carrying amount at 31 December	**15.077.710**
Depreciated over	3 - 5 years

Notes to the Financial Statements

	Parent
	2019
	DKK
7 Investments in subsidiaries	
Cost at 18 September	0
Additions for the year	242.976.300
Cost at 31 December	242.976.300
Value adjustments at 18 September	0
Net profit/loss for the year	1.875.937
Amortisation of goodwill	-3.089.504
Value adjustments at 31 December	-1.213.567
Carrying amount at 31 December	**241.762.733**
Remaining positive difference included in the above carrying amount at 31 December	209.544.123

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
FFW Deutschland GmbH	Berlin, DE	25.000 EUR	100%
Bysted A/S	Copenhagen, DK	1.562.500 DKK	80%
FFW Danmark ApS	Copenhagen, DK	131.250 DKK	100%
FFW GmbH	Vienna, AT	35.000 EUR	100%
FFW France	Paris, FR	1.000 EUR	100%
FFW U.K. Limited	London, UK	100 GBP	100%
Blink Reaction Ukraine LLC	Mykolaiv, UKR	2.482 UAH	61%
i.c.s. Propeople SRL	Chisinau, MD	7.577 MDL	100%
FFW BULGARIA EOOD	Sofia, BUL	5.000 BNG	100%
Wearepropeople LLC	Dnipro, UKR	15.000 UAH	90%
FFW Holding US Inc	Holmdel, NJ, US	1 USD	100%
FFW LLC	Holmdel, NJ, US	100 USD	100%
FFW Vietnam LLC	Hanoi, VN	4.334.600k VND	100%
Propeople Group ApS	Copenhagen, DK	262.500 DKK	100%

Notes to the Financial Statements

		Group	Parent
		2019	2019
		DKK	DKK
8	**Contract work in progress**		
	Selling price of work in progress	5.409.066	0
		5.409.066	**0**

9 Prepayments

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

10 Equity

The share capital consists of 50,001 shares of a nominal value of DKK 1. No shares carry any special rights.

11 Distribution of profit

	Group 2019 DKK	Parent 2019 DKK
Retained earnings	-13.831.095	-2.242.634
	-13.831.095	**-2.242.634**

Notes to the Financial Statements

12 Long-term debt

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

The debt falls due for payment as specified below:

	Group	Parent
	2019	2019
	DKK	DKK
Borrowings		
After 5 years	77.186.898	77.186.898
Between 1 and 5 years	24.899.004	24.899.004
Long-term part	102.085.902	102.085.902
Within 1 year	6.224.748	6.224.748
	108.310.650	**108.310.650**
Other payables		
Between 1 and 5 years	30.970.310	30.970.310
Long-term part	30.970.310	30.970.310
Other short-term payables	44.729.207	29.987.653
	75.699.517	**60.957.963**

13 Cash flow statement - adjustments

	Group
	2019
	DKK
Financial income	-86.332
Financial expenses	1.743.338
Depreciation, amortisation and impairment losses, including losses and gains on sales	3.348.825
Tax on profit/loss for the year	1.489.647
	6.495.478

Notes to the Financial Statements

	Group
	2019
	DKK
14 Cash flow statement - change in working capital	
Change in receivables	-66.948.934
Change in trade payables, etc	103.202.979
	36.254.045

15 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been pledged as security for borrowings of 108 mDKK:
100% of the shares in Fiona Acquisitions Aps, Propeople Group Aps, FFW Holding US Inc and FFW LLC respectively. All intragroup loans against Fiona Acquisitions ApS.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2.806.739	0
Between 1 and 5 years	3.148.187	0
After 5 years	15.498	0
	5.970.424	**0**

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

16 Related parties

	Basis
Controlling interest	
Celine Sieben GmbH, Munich, Germany.	Majority Shareholder
Other related parties	

Transactions

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

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Celine Sieben GmbH, Munich, Germany.

Notes to the Financial Statements

17 Accounting Policies

The Annual Report of Fiona Acquisition ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements for 2019 are presented in DKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to

17 Accounting Policies (continued)

fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any changes in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Minority interests

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

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

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

17 Accounting Policies (continued)

Translation policies

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

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

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

Income Statement

Revenue

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

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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

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

Notes to the Financial Statements

17 Accounting Policies (continued)

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Notes to the Financial Statements

17 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Acquired customer contracts are measured at cost less accumulated amortisation. Acquired customer contracts are amortised on a straight-line basis over useful life, which is assessed at 10 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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

Plant and machinery	3 - 5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Notes to the Financial Statements

17 Accounting Policies (continued)

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

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

Receivables

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

Contract work in progress

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

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

Payments received on account are set off against the selling price. The individual contracts are classified

Notes to the Financial Statements

17 Accounting Policies (continued)

as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

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

Prepayments

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

Equity

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise

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

Notes to the Financial Statements

17 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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