Grant Thornton

Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Bain & Company Denmark Holding ApS

Kristen Bernikows Gade 1, 1105 Copenhagen

Company reg. no. 41 05 78 07

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 31 July 2023.

Matthew Hirshfield
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Managing Director has approved the annual report of Bain & Company Denmark Holding ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my 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 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's review gives a true and 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, 31 July 2023

Managing Director

Matthew Hirshfield

Independent auditor's report

To the Shareholder of Bain & Company Denmark Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Bain & Company Denmark Holding ApS for the financial year 1 January to 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under 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 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 31 July 2023

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Dennis Nielsen
State Authorised Public Accountant
mne47768

Rune Gottlieb Nielsen
State Authorised Public Accountant
mne49139

Company information

The company	Bain & Company Denmark Holding ApS Kristen Bernikows Gade 1 1105 Copenhagen	
	Company reg. no.	41 05 78 07
	Established:	1 January 2020
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Managing Director	Matthew Hirshfield	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Bain & Company Denmark, LLC, USA	
Subsidiaries	Bain & Company Denmark Komplementar ApS, Denmark Bain & Company Denmark P/S, Denmark Bain Innovation P/S*, Denmark Qvartz AB*, Sweden Bülow & Qvartz GmbH*, Germany Bain & Company Norway AS*, Norway Vertical GmbH**, Germany =, *Owned by Bain & Company Denmark P/S, Denmark =, **Owned by Bain Innovation P/S, Denmark	

Consolidated financial highlights

DKK in thousands.	2022	2021	2020
Income statement:			
Revenue	718.353	836.449	454.324
Gross profit	411.765	502.808	297.970
Profit from operating activities	-136.604	-111.439	-100.072
Net financials	-147.242	-5.581	-28.546
Net profit or loss for the year	-283.846	-131.818	-115.144
Statement of financial position:			
Balance sheet total	244.887	682.462	529.729
Investments in property, plant and equipment	14.255	14.671	0
Equity	-514.343	-243.244	-110.977
Cash flows:			
Operating activities	73.066	254.946	-224.288
Investing activities	-14.624	-28.299	-208.051
Financing activities	-73.172	-160.867	415.374
Total cash flows	-14.730	65.780	-16.965
Employees:			
Average number of full-time employees	297	295	296
Key figures in %:			
Gross margin ratio	57,3	60,1	65,6
Profit margin (EBIT-margin)	-19,0	-13,3	-22,0
Solvency ratio	-202,3	-34,9	-16,0

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the group

The principal activities of the group are to provide management consulting services as well as any other business incidental thereto.

The principal activities of the parent company is to be parent company of subsidaries.

Unusual circumstances

Material misstatement:
The management has identified a material misstatement in the financial year 1 Januar 2021 - 31 December 2021 in relation to the recognition of income from investments in subsidiaries and provisions for investments in subsidiaries in the parent company. Investments with negative equity was mistakenly recognized as a provision and not 0 in accordance with accounting policies.

The comparable figures for the financial year 1 January 2021 - 31 December 2021 have been adjusted as follows:

Income from investments in subsidiaries has increased from t.DKK -84.664 to t.DKK -50.943, corresponding to a change amounts to t.DKK 33.722.

Result for the year has increased from t.DKK -100.896 to t.DKK -67.174, corresponding to a change amounts to t.DKK 33.722.

Provisions for investments in subsidiaries has decreased from t.DKK 33.722 to t.DKK 0, corresponding to a change amounts to t.DKK -33.722.

Retained earnings has increased from t.DKK -238.409 to t.DKK -204.687, corresponding to a change amounts to t.DKK 33.722.

The adjustments do not affect result and equity the financial year 2022.

Material reclassification:
The management has readressed the classification of revenue based intercompany costs in the profit and loss statement. The reclassification relates to the revenue based intercompany that has been set off against revenue previously.

In this respect management has identified the following changes that has been made this year and needs to be reclassified in the comparable figures in last years financial statement.

The comparable figures for the financial year 1 Januar 2021 - 31 December 2021 have been adjusted as follows:

Revenue has increased from t.DKK 669.634 to t.DKK 836.449, corresponding to a change amounts to t.DKK 166.815.

Raw materials and consumables has increased from t.DKK 0 to t.DKK -166.815, corresponding to a change amounts to t.DKK -166.815.

Management´s review

The adjustments does not affect result and equity for the financial year 2021. The adjustments only affect reclassification within the profit and loss statement.

The adjustments do not affect result and equity the financial year 2022.

Special items:
This year's account has been affected by a writedown of the acquired goodwill. The writedown amounts to t.DKK 151.164 in the group's impairment of financial assets..

Development in activities and financial matters

The revenue for the group for the year totals DKK 718,4m against DKK 836,4m last year. Income or loss from ordinary activities after tax totals DKK -283,8m against DKK -131,8m last year.

The result is in line with expectations.

The group is off for a very strong start in 2023 and expects to have a positive result for the financial year 2023.

Financial resources

The ultimate parent company Bain & Company Inc. has in a support letter given commitment to support the group, so that the group's normal business activities will continue and the financial ressources are intact until 1 January 2024.

Know-how resources

Bain & Company's strategy is to hire or promote the best suited employees. For us it is important to offer a challenging and stimulating working environment, in which skills and flexible career paths are part of our main focus.

Research and development activities

The group uses programs and platforms both developed in-house combined with such bought and licensed by established companies.

Expected developments

The group has continued its expansion in the Nordic market and in Denmark, in collaboration with Bain & Company's global organization. The competitive situation remains intense.

Events occurring after the end of the financial year

No events have occured subsequent to the balance sheet date, which would have a material impact on the financial position of the group.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Business model and engagement

The group is a management consulting firm. The group advise leaders on strategy, marketing, organization, operations, IT and M&A across all industries and geographies.

Management´s review

Environmental issues – including climate change

The business performed is not considered to cause pollution or emissions that may be detrimental to environment. The group has a thorough environmental thinking and the group takes part of the green thinking with less prints and extensive recycling plans.

For further information about environmental issues policies refer to https://www.bain.com/about/further/our-sustainability/.

Social issues and employee issues

The group wants to be the best possible work place for their employees on which, they all have a good and secure working environment and exciting challenges.

The group believes that diversity creates the most creative dynamics and the best preconditions for development and results.

For further information about social issues and employee issues policies refer to https://www.bain.com/about/further/our-sustainability/.

Human rights

The group's policy for human rights is to apply with relevant legislation and EU-convections. The group does not allow a behaviour that restrics the employee's freedom of action, just as there is a group policy of securing equal conditions for all employees without regard to ethnic origin, skin colour, gender, nationality, religion or other characteristics. The group acknowledges the employee's right to organize.

For further information about human rights policies refer to https://www.bain.com/about/further/diversity-equity-inclusion/.

Fighting corruption and bribery

Guided by True North, the group believe in winning business through expertise, people and integrity. The group promote the same values in suppliers, employees and clients. This includes abiding by all applicable laws in all the countries in which the group operates, gifts and entertainment policies, insider trading policies, supplier code of conduct and whistle blower hotlines.

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

The policy of the group is to hire or promote the best suited employees irrespective of gender. The policy of the group in relation to the part of the underrepresented gender is reconsidered frequently with an eye to increase the equality between the gender.

The management of the group consists of 1 man.

At present, there is no women in the management or in the board.

Management´s review

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

Whilst the group has not as yet created a specific policy for data ethics, at the group, we're guided by our True North – one of our operating principles, our unwavering and shared commitment to always do the right thing by our clients, our people and our communities. The group does invest in data driven technologies, which allow our organization and our clients to improve our ways of working, and in order to ensure the group delivers the best in class and secure services, we have developed and are applying corresponding practices, such as Responsible Research & Development in a form of Bain's Building Tools Hosting Sensitive Information Policy, professional codes, privacy and data handling policies. Our internal processes and procedures have been designed based on ethical principles and frameworks, and are driven by anticipation and assessment of potential implications on individuals and the society at large. As a result the group runs on a genuine commitment to specific actions during the entire lifecycle of technologies deployed to ensure positive impact on our organization and our clients.

Accounting policies

The annual report for Bain & Company Denmark Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Material misstatement

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The adjustments does not affect result and equity for the financial year 2021. The adjustments only affect reclassification within the profit and loss statement.

The adjustments do not affect result and equity the financial year 2022.

Accounting policies

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Accounting policies

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Bain & Company Denmark Holding ApS and those group enterprises of which Bain & Company Denmark Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Acquisitions completed by the 1 July 2018 or later

At the first recognition, non-controlling interests are measured at fair value. Thus, goodwill relating to the non-controlling interests’ share of the acquired company is recognised.

Accounting policies

Income statement

Revenue

Revenue is recognised in the income statement according to the production method. According to the production method contract work is recognized in the revenue concurrently with the production process.

Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales included costs for the purchase of consultants discounts.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is amortised over its estimated usefull life, which is determined on the basis of the management's experience with the individual business areas. Aquired goodwill is amortised on a straight-line basis over the amortisation period, which represent 10-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earning profile.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	2-7 years

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 3-7 years.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Accounting policies

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Bain & Company Denmark Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Accounting policies

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Segmental statement

Information on geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
4	Revenue	718.353	836.449	0	0
	Other operating income	23.335	112	17.523	0
	Costs of raw materials and consumables	-155.186	-166.815	0	0
	Other external expenses	-174.737	-166.938	-933	-1.096
	Gross profit	**411.765**	**502.808**	**16.590**	**-1.096**
6	Staff costs	-537.562	-581.175	0	0
	Depreciation, amortisation, and impairment	-10.807	-33.072	-1.853	-93
	Operating profit	**-136.604**	**-111.439**	**14.737**	**-1.189**
	Income from investments in subsidiaries	0	0	-15.372	-50.943
	Other financial income	6.254	750	17	0
	Impairment of financial assets	-151.164	0	0	0
7	Other financial expenses	-2.332	-6.331	-10	-24
	Pre-tax net profit or loss	**-283.846**	**-117.020**	**-628**	**-52.156**
8	Tax on net profit or loss for the year	0	-14.798	0	-15.018
9	**Net profit or loss for the year**	**-283.846**	**-131.818**	**-628**	**-67.174**
	Break-down of the consolidated profit or loss:				
	Shareholders in Bain & Company Denmark Holding ApS	-273.457	-126.993		
	Non-controlling interests	-10.389	-4.825		
		-283.846	**-131.818**		

Balance sheet at 31 December

DKK thousand.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
10	Goodwill	1.444	154.122	0	0
	Total intangible assets	1.444	154.122	0	0
11	Other fixtures and fittings, tools and equipment	23.622	22.849	6.303	7.458
12	Leasehold improvements	17.445	13.809	3.759	7.118
	Total property, plant, and equipment	41.067	36.658	10.062	14.576
13	Investments in group enterprises	0	0	95	81
	Total investments	0	0	95	81
	Total non-current assets	**42.511**	**190.780**	**10.157**	**14.657**
	Current assets				
	Trade receivables	87.744	129.331	0	0
14	Contract work in progress	0	5.666	0	0
	Receivables from group enterprises	0	236.658	0	0
	Income tax receivables	0	45	0	0
	Other receivables	18.784	5.110	0	0
15	Prepayments	1.564	3.005	0	415
	Total receivables	108.092	379.815	0	415
	Cash and cash equivalents	94.284	111.867	261	566
	Total current assets	**202.376**	**491.682**	**261**	**981**
	Total assets	**244.887**	**682.462**	**10.418**	**15.638**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
	Contributed capital	103	103	103	103
	Retained earnings	-495.621	-238.409	-189.929	-204.687
	Equity before non-controlling interest.	-495.518	-238.306	-189.826	-204.584
	Non-controlling interests	-18.825	-4.938	0	0
	Total equity	**-514.343**	**-243.244**	**-189.826**	**-204.584**
	Liabilities other than provisions				
	Payables to group enterprises	0	140.542	0	14.161
	Other payables	93.498	157.311	82.692	157.308
	Total long term liabilities other than provisions	93.498	297.853	82.692	171.469
	Current portion of long term liabilities	36.130	0	36.130	0
	Bank loans	0	2	0	0
	Trade payables	6.206	10.695	0	0
	Payables to group enterprises	470.865	357.185	81.122	48.453
	Other payables	152.531	244.760	300	300
16	Deferred income	0	15.211	0	0
	Total short term liabilities other than provisions	665.732	627.853	117.552	48.753
	Total liabilities other than provisions	**759.230**	**925.706**	**200.244**	**220.222**
	Total equity and liabilities	**244.887**	**682.462**	**10.418**	**15.638**

1 Support letter

2 Subsequent events

3 Special items

5 Fees, auditor

17 Contingencies

18 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital not paid	Retained earnings	Non-controlling interests	Total
Equity 1 January 2022	103	-238.409	-4.938	-243.244
Adjustment 1 January 2022	0	0	-3.498	-3.498
Profit or loss for the year brought forward	0	-273.457	-10.389	-283.846
Capital increase	0	15.387	0	15.387
Foreign currency translation adjustments	0	858	0	858
	103	**-495.621**	**-18.825**	**-514.343**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	103	-204.688	-204.585
Profit or loss for the year brought forward	0	-628	-628
Capital increase	0	15.387	15.387
	103	**-189.929**	**-189.826**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2022	2021
	Net profit or loss for the year	-283.846	-131.818
19	Adjustments	160.659	54.983
20	Change in working capital	194.921	332.907
	Cash flows from operating activities before net financials	71.734	256.072
	Interest received, etc.	3.571	750
	Interest paid, etc.	-2.239	-1.878
	Cash flows from ordinary activities	73.066	254.944
	Income tax paid	0	2
	Cash flows from operating activities	**73.066**	**254.946**
	Purchase of property, plant, and equipment	-14.624	-32.306
	Other cash flows from (spent on) investment activities	0	4.007
	Cash flows from investment activities	**-14.624**	**-28.299**
	Repayments of long-term payables	-88.773	-149.118
	Cash capital increase	15.601	0
	Other cash flows from financing activities	0	-11.749
	Cash flows from investment activities	**-73.172**	**-160.867**
	Change in cash and cash equivalents	**-14.730**	**65.780**
	Cash and cash equivalents at 1 January 2022	110.530	43.988
	Foreign currency translation adjustments (cash and cash equivalents)	476	762
	Cash and cash equivalents at 31 December 2022	**96.276**	**110.530**

	2022	2021
Cash and cash equivalents		
Cash and cash equivalents	96.276	110.530
Cash and cash equivalents at 31 December 2022	**96.276**	**110.530**

Notes

DKK thousand.

1. Support letter

The parent company Bain & Company, Inc. has in a support letter of 9 June 2023 given commitment to support the group, so that the group's normal business acitivties will continue and the capital resources are intact until 1 January 2024.

Management expects the positive development to continue and based on this management expects an improved result for the comming year.

2. Subsequent events

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the group.

3. Special items

This year's account has been affected by a writedown of the acquired goodwill. The writedown amounts to t.DKK 151.164 in the group's impairment of financial assets.

4. Revenue

Segmental statement

Geographical – primary segment:

	Europe	**Other**	**Total**
Group	616.200	102.153	718.353

	Group 2022	2021
5. Fees, auditor		
Total fee for Grant Thornton, State Authorised Public Accountants	1.802	1.045
Fee concerning compulsory audit	1.089	1.045
Tax consultancy	70	0
Other services	643	0
	1.802	**1.045**

Notes

DKK thousand.

		Group 2022	Group 2021	Parent 2022	Parent 2021
6.	**Staff costs**				
	Salaries and wages	520.075	566.393	0	0
	Pension costs	13.929	13.250	0	0
	Other costs for social security	3.558	1.532	0	0
		537.562	**581.175**	**0**	**0**
	Average number of employees	297	295	0	0

Remuneration to the executive board of the parent company has not been disclosed in accordance with the section 98 B(3) of the Danish Financial Statement Act.

		Group 2022	Group 2021	Parent 2022	Parent 2021
7.	**Other financial expenses**				
	Financial costs, group enterprises	1.092	0	0	0
	Other financial costs	1.240	6.331	10	24
		2.332	**6.331**	**10**	**24**

		Group 2022	Group 2021	Parent 2022	Parent 2021
8.	**Tax on net profit or loss for the year**				
	Adjustment for the year of deferred tax	0	14.816	0	15.018
	Adjustment of tax for previous years	0	-18	0	0
		0	**14.798**	**0**	**15.018**

		Parent 2022	Parent 2021
9.	**Proposed distribution of net profit**		
	Allocated from retained earnings	-628	-67.174
	Total allocations and transfers	**-628**	**-67.174**

Notes

DKK thousand.

		Group 31/12 2022	Group 31/12 2021
10.	**Goodwill**		
	Cost 1 January 2022	201.458	201.222
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-225	236
	Cost 31 December 2022	**201.233**	**201.458**
	Amortisation and writedown 1 January 2022	-47.336	-22.869
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	135	-129
	Amortisation for the year	-1.425	-24.338
	Writedown for the year	-151.163	0
	Amortisation and writedown 31 December 2022	**-199.789**	**-47.336**
	Carrying amount, 31 December 2022	**1.444**	**154.122**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
11.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2022	55.080	48.228	7.506	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-599	184	0	0
	Additions during the year	8.167	25.979	0	7.506
	Disposals during the year	-21.104	-19.311	0	0
	Cost 31 December 2022	**41.544**	**55.080**	**7.506**	**7.506**
	Amortisation and writedown 1 January 2022	-32.231	-35.955	-48	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	306	-187	0	0
	Depreciation for the year	-7.069	-6.776	-1.155	-48
	Reversal of depreciation, amortisation and writedown, assets disposed of	21.072	10.687	0	0
	Amortisation and writedown 31 December 2022	**-17.922**	**-32.231**	**-1.203**	**-48**
	Carrying amount, 31 December 2022	**23.622**	**22.849**	**6.303**	**7.458**

Notes

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
12.	**Leasehold improvements**				
	Cost 1 January 2022	19.655	16.419	7.165	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-319	42	0	0
	Additions during the year	6.087	4.585	0	7.165
	Disposals during the year	-2.872	-1.391	-2.677	0
	Cost 31 December 2022	**22.551**	**19.655**	**4.488**	**7.165**
	Depreciation and write-down 1 January 2022	-5.846	-8.717	-47	0
	Translation by use of the exchange rate valid on balance sheet date	30	1	0	0
	Depreciation for the year	-2.162	-2.009	-682	-47
	Depreciation, amortisation and writedown for the year, assets disposed of	2.872	4.879	0	0
	Depreciation and write-down 31 December 2022	**-5.106**	**-5.846**	**-729**	**-47**
	Carrying amount, 31 December 2022	**17.445**	**13.809**	**3.759**	**7.118**

Notes

DKK thousand.

		Parent 31/12 2022	Parent 31/12 2021
13.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2022	203.479	202.499
	Additions during the year	0	980
	Cost 31 December 2022	**203.479**	**203.479**
	Revaluations, opening balance 1 January 2022	-163.322	-82.361
	Translation by use of the exchange rate valid on b	14	-1.077
	Results for the year before goodwill amortisation	0	-28.389
	Reversals for the year concerning disposals	0	-51.843
	Other adjustments	0	348
	Revaluation 31 December 2022	**-163.308**	**-163.322**
	Amortisation of goodwill, opening balance 1 January 2022	-40.076	-17.175
	Amortisation of goodwill for the year	0	-22.901
	Depreciation on goodwill 31 December 2022	**-40.076**	**-40.076**
	Carrying amount, 31 December 2022	**95**	**81**

Group enterprises:

	Domicile	Equity interest
Bain & Company Denmark Komplementar ApS	Denmark	100 %
Bain & Company Denmark P/S	Denmark	96,34 %
Bain Innovation P/S*	Denmark	96,34 %
Qvartz AB*	Sweden	96,34 %
Bülow & Qvartz GmbH*	Germany	96,34 %
Bain & Company Norway AS*	Norway	96,34 %
Vertical GmbH**	Germany	96,34 %
=, *Owned by Bain & Company Denmark P/S	Denmark	%
=, **Owned by Bain Innovation P/S	Denmark	%

		Group 31/12 2022	Group 31/12 2021
14.	**Contract work in progress**		
	Sales value of the production of the period	0	5.666
	Contract work in progress, net	**0**	**5.666**

Notes

DKK thousand.

		Group 31/12 2022	Group 31/12 2021
15.	**Prepayments**		
	Prepayments	1.564	3.005
		1.564	**3.005**

Prepayments consists of prepaid rent, insurances etc., which will be taken to the profit and loss acount in subsequent financial year.

16.	**Deferred income**		
	Prepayments/deferred income	0	15.211
		0	**15.211**

Deferred income consists of deferred income, which will be taken into the profit and loss account in subsequent financial year.

17. Contingencies

Contingent assets

The group has an unrecognized tax asset of DKK 50m.

Contingent liabilities

	DKK in thousands
Within 1 year	10.293
Between 1 and 5 years	40.688
After 5 years	11.617
Total contingent liabilities	**62.598**

Comprising:	
Lease of buildings	62.121
Other rental obligations	476

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

Notes

DKK thousand.

17. Contingencies (continued)

Joint taxation (continued)

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

18. Related parties

Controlling interest

Bain & Company Denmark, LLC, Delaware, USA	Majority shareholder
Bain & Company Inc., Massachusetts, USA	Majority shareholder

Transactions

The group has the following related party transactions:

	Group 2022
Revenue	238.826
Raw materials and consumables used	155.294
Management fee and allocated costs	150.369
Interest income	1.092
Interest expenses	0
Receivables	0
Payables	470.865

Notes

DKK thousand.

		Group 2022	2021
19.	**Adjustments**		
	Depreciation, amortisation, and impairment	10.807	33.072
	Impairment of financial assets	151.164	0
	Loss from disposal of non-current assets	37	2.089
	Other financial income	-3.588	-750
	Other financial expenses	2.239	2.104
	Tax on net profit or loss for the year	0	-648
	Deferred tax	0	15.018
	Other adjustments	0	4.098
		160.659	**54.983**

		Group 2022	2021
20.	**Change in working capital**		
	Change in receivables	374.254	23.896
	Change in trade payables and other payables	-179.333	309.011
		194.921	**332.907**