



emagine Holding II ApS

Sydhavns­gade 16, 2.
2450 København SV
CVR No. 42019895

Annual report 2023

The Annual General Meeting adopted the annual report on 01.07.2024

Lars Bloch

Chairman of the General Meeting

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Entity details

Entity

emagine Holding II ApS
Sydhavnsgade 16, 2.
2450 København SV

Business Registration No.: 42019895
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Christian Bamberger Bro
Christoffer Arthur Müller

Executive Board

Christian Bamberger Bro
Christoffer Arthur Müller

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of emagine Holding II ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 01.07.2024

Executive Board

Christian Bamberger Bro

Christoffer Arthur Müller

Board of Directors

Christian Bamberger Bro

Christoffer Arthur Müller

Independent auditor's report

To the shareholders of emagine Holding II ApS

Opinion

We have audited the financial statements of emagine Holding II ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 01.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Brian Schmit Jensen

State Authorised Public Accountant
Identification No (MNE) mne40050

Management commentary

Primary activities

The Company's main activity is to hold shares in emagine Group.

The Group is a full-service IT provider, capable of facilitating any client on a 360-degree service journey: from local expert consultancy augmentation of client teams, to setting up nearshore teams, to vendor consolidation, to managed teams and value-based pricing services in advanced, agile delivery models.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Other external expenses		(1,659)	(1,878)
Gross profit/loss		(1,659)	(1,878)
Other financial income	1	3,314	149
Other financial expenses		(6)	(29)
Profit/loss before tax		1,649	(1,758)
Tax on profit/loss for the year	2	(681)	4
Profit/loss for the year		968	(1,754)
Proposed distribution of profit and loss:			
Retained earnings		968	(1,754)
Proposed distribution of profit and loss		968	(1,754)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		1,264,446	1,229,892
Financial assets	3	1,264,446	1,229,892
Fixed assets		1,264,446	1,229,892
Receivables from group enterprises		12,180	41,325
Deferred tax		0	4
Other receivables		13	0
Prepayments		61	0
Receivables		12,254	41,329
Cash		4,350	3,624
Current assets		16,604	44,953
Assets		1,281,050	1,274,845

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	4	1,462	1,452
Retained earnings		1,277,932	1,271,640
Equity		1,279,394	1,273,092
Trade payables		877	1,721
Income tax payable		673	0
Other payables		106	32
Current liabilities other than provisions		1,656	1,753
Liabilities other than provisions		1,656	1,753
Equity and liabilities		1,281,050	1,274,845
Employees	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,452	985,422	986,874
Changes in accounting policies	0	286,218	286,218
Adjusted equity beginning of year	1,452	1,271,640	1,273,092
Increase of capital	10	15,864	15,874
Purchase of treasury shares	0	(10,540)	(10,540)
Profit/loss for the year	0	968	968
Equity end of year	1,462	1,277,932	1,279,394

Notes

1 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	3,152	131
Other interest income	33	18
Other financial income	129	0
	3,314	149

2 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	677	0
Change in deferred tax	4	(4)
	681	(4)

3 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	1,229,892
Additions	34,554
Cost end of year	1,264,446
Carrying amount end of year	1,264,446

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
emagine Holding I ApS	Denmark	ApS	100.00	1,264,274	(57)

4 Treasury shares

	Number	Nominal value DKK'000	Recorded par value DKK'000	Share of contributed capital %
emagine Holding II ApS - P Shares	542,296	5	5	0.37
emagine Holding II ApS - C Shares	159,072	2	2	0.11
emagine Holding II ApS - Common Shares	106,992	1	1	0.07
Investments acquired	808,360	8	8	0.55

There have been sold and purchased own shares in year 2023.

5 Employees

The Entity has no employees other than the Executive Board. The Executive Board or Board of Directors have not received any remuneration.

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where emagine Holding III ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: emagine Holding III ApS, Copenhagen.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to recognition and measurement of investments in group enterprises from equity method to cost method. This is due to better reflect the income from subsidiaries through paid dividends (realization) than the local results of the subsidiaries (unrealized earnings for the Parent). This is considered to give a more appropriate presentation of the investments.

The change in accounting policies has led to an increase in profit/or loss of DKK 28,194k. The balance sheet total increases by DKK 268,218k, while equity increases by DKK 268,218k at 31.12.2022.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for administration and fee to auditor etc.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises of bank deposits.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity in retained earnings. Gains and losses on sale are not recognised in the income statement.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.