QNTM Ecom SW BidCo ApS

Bredgade 40, 4, DK-1260

Annual Report for 2023

CVR No. 42 11 27 39

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/6 2024

Lars Hedal Nielsen
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 QNTM Ecom SW BidCo ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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, 24 June 2024

Executive Board

Lars Hedal Nielsen CEO	Karl Fredrik Lund Director

Board of Directors

Karl Fredrik Lund Chairman	Jo Jemblie Leknes-Monssen

Independent Auditor's report

To the shareholder of QNTM Ecom SW BidCo 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 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of QNTM Ecom SW BidCo ApS for the financial year 1 January - 31 December 2023, 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' 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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.

Independent Auditor's report

Odense, 24 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Damhave
State Authorised Public Accountant
mne34166

Company information

The Company	QNTM Ecom SW BidCo ApS Bredgade 40, 4 1260 CVR No: 42 11 27 39 Financial period: 1 January - 31 December Incorporated: 9 February 2021 Financial year: 3rd financial year Municipality of reg. office: Copenhagen
Board of Directors	Karl Fredrik Lund, chairman Jo Jemblie Leknes-Monssen
Executive Board	Lars Hedal Nielsen Karl Fredrik Lund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2023	2022	2021
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Gross profit	114,691	107,383	78,902
Profit/loss of primary operations	-37,514	-19,668	10,679
Profit/loss of financial income and expenses	-1,219	-845	-213
Net profit/loss for the year	-35,871	-19,992	-13,505
Balance sheet			
Balance sheet total	214,154	218,998	219,276
Investment in property, plant and equipment	618	2,286	1,695
Equity	138,673	174,544	-13,465
Cash flows			
Cash flows from:			
- operating activities	6,827	6,585	6,632
- investing activities	-26,565	-27,655	-218,822
- financing activities	18,884	17,265	206,811
Change in cash and cash equivalents for the year	-854	-3,805	-7,074
Number of employees	179	165	118
Ratios			
Return on assets	-17.5%	-9.0%	4.9%
Solvency ratio	64.8%	79.7%	-6.1%
Return on equity	-22.9%	-24.8%	200.6%

Management's review

Key activities

The Group develops, designs and sells ambitious e-commerce solutions to Denmark's largest companies and is developing the e-commerce platform Bizzkit, which is sold internationally through certified partners.

Development in the year

The income statement of the Group for 2023 shows a loss of TDKK 35,871, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 138,673.

At the beginning of 2021, Hesehus A/S was bought by the QNTM Group, which is a group of companies with a goal of bringing Europe's best companies within digital strategy, marketing, software and tech to the customers. It is a unique ecosystem which has created exciting new opportunities for Hesehus as well.

In continuation of QNTM Group's takeover, a new ambitious strategy was made with significant long-term investments. The growth continued in 2023, and since 2018 revenue has doubled.

Over the past years the revenue composition has developed from 100% Time & Material in 2015 to now more than 50% recurring revenue on fixed agreements.

During 2023 Hesehus has continued to invest significantly in further development of the Bizzkit platform and continued to expand its operations outside Denmark.

The loss in 2023 was not unexpected with the high level of strategic investment in product, sales and marketing, but nevertheless the loss was higher than expected. This is primarily due to longer sales cycles influenced by the insecure macroeconomic and geopolitical situation. It is influencing our industry and is documented in several industry analyses.

Again, also 2023 offered many other highlights. Mention can be made of the following, among other things:

• Silver at the E-commerce award 2022 in the category "Best e-commerce case" for the collaboration with H.J. Hansen Vin A/S.
• Awarded for the third year in a row as the best digital agency for e-commerce in the recognized MyImage analysis.
• Opening of Bizzkit’s Norwegian office in Oslo.
• eNPS measurement again showing excellent numbers despite the fast growth in number of employees over recent years
• Spotless ISAE 3000 GDPR declaration
• Successful introduction of internal AI assistant, HAIA (Hesehus AI Assistant)

We continue to see growth and international success in the beginning of 2024 and a gradual improvement in the margin profile of the business as well.

The past year and follow-up on development expectations from last year

The Group expects a positive development in 2024 with an EBITDA of DKK 12 - 18 million for 2024.

Branches abroad

The Group has one branch in Sweden and one branch in Norway.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Gross profit		**114,691**	**107,383**	**1,630**	**1,766**
Staff expenses	1	-111,333	-99,330	-2,002	-1,940
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-33,018	-27,721	0	0
Other operating expenses	2	-7,854	0	-7,854	0
Profit/loss before financial income and expenses		**-37,514**	**-19,668**	**-8,226**	**-174**
Financial income		11	6	11	2
Financial expenses	3	-1,230	-851	-21	-5
Profit/loss before tax		**-38,733**	**-20,513**	**-8,236**	**-177**
Tax on profit/loss for the year	4	2,862	521	43	0
Net profit/loss for the year	5	**-35,871**	**-19,992**	**-8,193**	**-177**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		49,562	37,191	0	0
Acquired other similar rights		1,631	1,561	0	0
Goodwill		127,588	145,601	0	0
Intangible assets	6	**178,781**	**184,353**	**0**	**0**
Plant and machinery		798	1,422	0	0
Other fixtures and fittings, tools and equipment		1,331	1,615	0	0
Property, plant and equipment	7	**2,129**	**3,037**	**0**	**0**
Investments in subsidiaries	8	0	0	206,786	206,786
Deposits	9	599	572	0	0
Fixed asset investments		**599**	**572**	**206,786**	**206,786**
Fixed assets		**181,509**	**187,962**	**206,786**	**206,786**
Trade receivables		21,397	23,703	0	0
Contract work in progress	10	4,463	4,237	0	0
Receivables from group enterprises		0	28	389	371
Other receivables		323	619	0	0
Corporation tax receivable from group enterprises		4,790	0	39	0
Prepayments	11	1,302	1,225	0	0
Receivables		**32,275**	**29,812**	**428**	**371**
Cash at bank and in hand		**370**	**1,224**	**307**	**1,001**
Current assets		**32,645**	**31,036**	**735**	**1,372**
Assets		**214,154**	**218,998**	**207,521**	**208,158**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		40	40	40	40
Reserve for development costs		38,659	30,227	0	0
Reserve for exchange rate conversion		60	60	0	0
Retained earnings		99,914	144,217	199,612	207,805
Equity		**138,673**	**174,544**	**199,652**	**207,845**
Provision for deferred tax	12	6,181	3,686	0	0
Provisions		**6,181**	**3,686**	**0**	**0**
Payables to group enterprises		1,204	0	1,204	0
Other payables		5,631	5,270	0	0
Long-term debt	13	**6,835**	**5,270**	**1,204**	**0**
Credit institutions		28,724	14,589	0	0
Trade payables		3,900	3,587	0	0
Contract work in progress	10	825	765	0	0
Payables to group enterprises	13	5,860	2,676	0	0
Payables to group enterprises relating to corporation tax		0	10	0	0
Other payables	13	15,952	7,711	6,665	313
Deferred income	14	7,204	6,160	0	0
Short-term debt		**62,465**	**35,498**	**6,665**	**313**
Debt		**69,300**	**40,768**	**7,869**	**313**
Liabilities and equity		**214,154**	**218,998**	**207,521**	**208,158**

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Statement of changes in equity

Group

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	40	30,227	60	144,217	174,544
Development costs for the year	0	18,493	0	-18,493	0
Depreciation, amortisation and impairment for the year	0	-10,061	0	10,061	0
Net profit/loss for the year	0	0	0	-35,871	-35,871
Equity at 31 December	**40**	**38,659**	**60**	**99,914**	**138,673**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	40	207,805	207,845
Net profit/loss for the year	0	-8,193	-8,193
Equity at 31 December	**40**	**199,612**	**199,652**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		-35,871	-19,992
Adjustments	15	31,375	27,958
Change in working capital	16	11,928	-575
Cash flow from operations before financial items		**7,432**	**7,391**
Financial income		11	6
Financial expenses		-1,230	-851
Cash flows from ordinary activities		**6,213**	**6,546**
Corporation tax paid		614	39
Cash flows from operating activities		**6,827**	**6,585**
Purchase of intangible assets		-25,919	-25,369
Purchase of property, plant and equipment		-619	-2,286
Fixed asset investments made etc		-27	0
Cash flows from investing activities		**-26,565**	**-27,655**
Raising of loans from credit institutions		14,135	14,589
Raising of payables to group enterprises		4,388	2,676
Raising of other long-term debt		361	0
Cash flows from financing activities		**18,884**	**17,265**
Change in cash and cash equivalents		**-854**	**-3,805**
Cash and cash equivalents at 1 January		1,224	5,029
Cash and cash equivalents at 31 December		**370**	**1,224**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		370	1,224
Cash and cash equivalents at 31 December		**370**	**1,224**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	101,416	90,764	1,814	1,751
Pensions	8,097	7,086	161	153
Other social security expenses	1,797	1,448	4	4
Other staff expenses	23	32	23	32
	111,333	**99,330**	**2,002**	**1,940**
Including remuneration to the Executive Board and Board of Directors	**1,937**	**1,940**	**1,937**	**1,940**
Average number of employees	**179**	**165**	**2**	**2**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Adjustment of earn-out	7,854	0	7,854	0
	7,854	**0**	**7,854**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial expenses				
Interest paid to group enterprises	21	5	21	5
Other financial expenses	1,175	846	0	0
Exchange loss	34	0	0	0
	1,230	**851**	**21**	**5**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Income tax expense				
Deferred tax for the year	-2,819	-521	0	0
Adjustment of tax concerning previous years	-5,357	0	-43	0
Adjustment of deferred tax concerning previous years	5,314	0	0	0
	-2,862	**-521**	**-43**	**0**

	Parent company	
	2023	2022
	TDKK	TDKK
5. Profit allocation		
Retained earnings	-8,193	-177
	-8,193	**-177**

6. Intangible fixed assets

Group

	Completed development projects	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	52,648	2,046	180,124
Additions for the year	25,270	650	0
Disposals for the year	-3,686	0	0
Cost at 31 December	74,232	2,696	180,124
Impairment losses and amortisation at 1 January	15,458	484	34,524
Amortisation for the year	12,898	581	18,012
Impairment and amortisation of sold assets for the year	-3,686	0	0
Impairment losses and amortisation at 31 December	24,670	1,065	52,536
Carrying amount at 31 December	**49,562**	**1,631**	**127,588**

Completed development projects include development of the e-commerce platform Bizzkit. The platform contains both webshop, PIM, CMS, DAM and Search and is based on an ecosystem approach, where collaboration is carried out with the world's leading technology partners within e.g. search, personalization and user management.

Bizzkit is continuously developed and based on a MACH architecture with frequent releases of new features in a cloud setup. In just a few years, it has achieved a position as one of the most widespread e-commerce platforms for Denmark's and increasingly Scandinavia's largest companies.

License income continues the increase from previous years, and a further increase is expected in 2024. The increase in license income in 2024 will come from both Denmark, Norway and Sweden and potentially from additional new markets and partners.

Notes to the Financial Statements

7. Property, plant and equipment
Group

	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	5,899	5,143
Additions for the year	149	470
Disposals for the year	0	-290
Cost at 31 December	6,048	5,323
Impairment losses and depreciation at 1 January	4,477	3,528
Depreciation for the year	773	754
Reversal of impairment and depreciation of sold assets	0	-290
Impairment losses and depreciation at 31 December	5,250	3,992
Carrying amount at 31 December	**798**	**1,331**

8. Investments in subsidiaries

	Parent company	
	2023	2022
	TDKK	TDKK
Cost at 1 January	206,786	206,786
Cost at 31 December	206,786	206,786
Carrying amount at 31 December	**206,786**	**206,786**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Hesehus A/S	Odense	TDKK 507	100%	18,218	-9,665
				18,218	**-9,665**

9. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	572
Additions for the year	27
Cost at 31 December	599
Carrying amount at 31 December	**599**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

10. Contract work in progress

Contract work in progress is recognised in the balance sheet as follows:

	2023	2022	2023	2022
Contract work in progress recognised in assets	4,463	4,237	0	0
Prepayments received recognised in debt	-825	-765	0	0
	3,638	**3,472**	**0**	**0**

11. Prepayments

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

12. Provision for deferred tax

	2023	2022	2023	2022
Deferred tax liabilities at 1 January	3,686	4,207	0	0
Adjustment of deferred tax concerning previous years	5,314	0	0	0
Amounts recognised in the income statement for the year	-2,819	-521	0	0
Deferred tax liabilities at 31 December	**6,181**	**3,686**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

13. 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 2023	Group 2022	Parent company 2023	Parent company 2022
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	1,204	0	1,204	0
Long-term part	1,204	0	1,204	0
Other short-term debt to group enterprises	5,860	2,676	0	0
	7,064	**2,676**	**1,204**	**0**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	5,631	5,270	0	0
Long-term part	5,631	5,270	0	0
Other short-term payables	15,952	7,711	6,665	313
	21,583	**12,981**	**6,665**	**313**

14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

15. Cash flow statement - Adjustments

	Group	
	2023	2022
	TDKK	TDKK
Financial income	-11	-6
Financial expenses	1,230	851
Depreciation, amortisation and impairment losses, including losses and gains on sales	33,018	27,634
Tax on profit/loss for the year	-2,862	-521
	31,375	**27,958**

16. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in receivables	2,327	-2,830
Change in trade payables, etc	9,601	2,255
	11,928	**-575**

17. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	338	218	0	0
Between 1 and 5 years	686	151	0	0
	1,024	**369**	**0**	**0**
Lease obligations, period of non-terminability 3-32 months	4,957	9,471	0	0

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Nortre Administration ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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

18. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Altor Holding IV AB	Ultimate ownership

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.

There have been no such transactions.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Altor Holding IV AB	Box 16116, 103 23 Stockholm, Sverige
QNTM Group AB	Box 16116, 103 23 Stockholm, Sverige

19. Subsequent events

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

20. Accounting policies

The Annual Report of QNTM Ecom SW BidCo ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

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, QNTM Ecom SW BidCo 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.

Leases

All 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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 transaction date rates are recognised in financial income and expenses in the income statement

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise 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

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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 withDanish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Other intangible fixed assets

Software are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software are amortised over the period of the agreements, which is 3 years.

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.

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 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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 measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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 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 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.

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, including the tax base of tax loss carry-forwards, 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.

Notes to the Financial Statements

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 liabilities

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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 "Cash at bank and in hand".

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity