Fokus Group Holding ApS

Østbanegade 123, DK-2100 Copenhagen

Annual Report for 2022

CVR No. 42 21 84 80

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/6 2023

Tonny Nielsen
Chairman of the general meeting

Contents

pwc

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Fokus Group Holding ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 28 June 2023

Executive Board

Tonny Nielsen CEO	Morten Madsen Manager

Board of Directors

Paul Mizrahi Chairman	Tonny Nielsen	Morten Madsen
Damien Serge Louis René Lestang	Aloysius Friedrich A. Von Mitschke-Collande	

Independent Auditor's report

To the shareholders of Fokus Group Holding 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 2022 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 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Fokus Group Holding ApS for the financial year 1 January - 31 December 2022, 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.

Independent Auditor's report

- 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.

Hellerup, 28 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Jacob Dannefer
State Authorised Public Accountant
mne47886

Company information

The Company	Fokus Group Holding ApS Østbanegade 123 DK-2100 Copenhagen CVR No: 42 21 84 80 Financial period: 1 January - 31 December Incorporated: 15 March 2021 Financial year: 2nd financial year Municipality of reg. office: Copenhagen
Board of Directors	Paul Mizrahi, chairman Tonny Nielsen Morten Madsen Damien Serge Louis René Lestang Aloysius Friedrich A. Von Mitschke-Collande
Executive Board	Tonny Nielsen Morten Madsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2022	2021
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	136,144	69,119
Gross profit/loss	107,342	48,542
Normalised EBITDA	37,912	41,622
Profit/loss before financial income and expenses	-20,697	-6,794
Profit/loss of financial income and expenses	-9,818	-4,513
Net profit/loss	-31,455	-14,910
Balance sheet		
Balance sheet total	880,276	715,091
Investment in property, plant and equipment	1,307	487
Equity	533,710	474,941
Cash flows		
Cash flows from:		
- operating activities	47,162	34,763
- investing activities	-201,675	-677,736
- financing activities	189,180	655,010
Change in cash and cash equivalents for the year	34,667	12,037
Number of employees	73	57
Ratios		
Gross margin	78.8%	70.2%
Profit margin	-15.2%	-9.8%
Return on assets	-2.4%	-1.0%
Solvency ratio	60.6%	66.4%
Return on equity	-6.2%	-6.3%

Fokus Group Holding ApS was established at 15 March 2021, the consolidated figures for the financial year 2021 includes only the period 15 March 2021 - 31 December 2021.

Management's review

Key activities

The Group's main activity is to provide investment, fund, and asset management services to Danish and foreign property investors.

Development in the year

The income statement of the Group for 2022 shows a loss of TDKK 31,455, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 533,710.

During 2022, the Group acquired two companies: Danish Heimdal Nordic ApS and Swedish Scius Partners AB.

The acquisition of Danish Heimdal Nordic ApS is part of the strategy to cover all aspects within property management including procurement of financing.

With the acquisition of Swedish Scius Partners AB, the Group has taken the first strategic step to become the leading full-service investment and asset manager in the Nordics. The expansion of the business in both Denmark and Sweden is a natural next step in our joint journey.

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

Annual results 2022 is considered satisfactory.

Special risks - operating risks and financial risks

The Group does not incur special risks in addition to those that are common within the industry - nor business and financial risks that the Group may be affected by.

Targets and expectations for the year ahead

The Group expects to continue development of activities in the Nordics and therefore revenues as well as profits are expected to increase.

External environment

The Group is environmentally aware and does its utmost to reduce the impact from the daily business on the environment. The Group is on an ongoing basis looking for energy-saving and digitalization opportunities to optimize the environmental impact of operations.

Intellectual capital resources

The Group is focused on the well-being and continuous development of its employees, including internal induction and training programs as well as external education and advice. The Group continuously focuses on attracting and retaining employees with long term experience and the necessary professional competencies. During the year, there has been an inflow of competent and experienced employees, which has strengthened the Group's knowledge and competence base. The overall objective of the Group's recruitment policy is to stabilize and secure the future of the organization and the Group's continued growth.

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

Management's review

Subsequent events

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

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue		136,144	69,119	0	0
Direct expenses		-5,342	0	0	0
Other external expenses		-23,460	-20,577	-1,003	-100
Gross profit		**107,342**	**48,542**	**-1,003**	**-100**
Staff expenses	1	-75,883	-34,509	0	0
Earnings Before Interest Taxes Depreciation and Amortization		**31,459**	**14,033**	**-1,003**	**-100**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-52,156	-20,827	0	0
Profit/loss before financial income and expenses		**-20,697**	**-6,794**	**-1,003**	**-100**
Financial income	3	3,606	0	1	894
Financial expenses	4	-13,424	-4,513	-138	-894
Profit/loss before tax		**-30,515**	**-11,307**	**-1,140**	**-100**
Tax on profit/loss for the year	5	-940	-3,603	249	22
Net profit/loss for the year	6	**-31,455**	**-14,910**	**-891**	**-78**

Balance sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		78	75	0	0
Acquired other similar rights		197,798	159,183	0	0
Goodwill		578,223	477,652	0	0
Intangible assets	7	**776,099**	**636,910**	**0**	**0**
Other fixtures and fittings, tools and equipment		1,389	285	0	0
Property, plant and equipment	8	**1,389**	**285**	**0**	**0**
Investments in subsidiaries	9	0	0	585,811	489,851
Other investments	10	23,765	19,665	0	0
Deposits	10	0	48	0	0
Fixed asset investments		**23,765**	**19,713**	**585,811**	**489,851**
Fixed assets		**801,253**	**656,908**	**585,811**	**489,851**
Trade receivables		16,875	35,736	0	0
Other receivables		11,526	5,913	0	0
Deferred tax asset	13	0	0	0	22
Corporation tax		609	0	1,055	0
Corporation tax receivable from group enterprises		0	1,856	4,944	1,856
Prepayments	11	3,309	2,641	234	0
Receivables		**32,319**	**46,146**	**6,233**	**1,878**
Cash at bank and in hand		**46,704**	**12,037**	**628**	**0**
Current assets		**79,023**	**58,183**	**6,861**	**1,878**
Assets		**880,276**	**715,091**	**592,672**	**491,729**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Share capital	12	1,047	1,000	1,047	1,000
Share premium account		0	488,851	0	488,851
Reserve for exchange rate conversion		-5,736	0	0	0
Retained earnings		538,399	-14,910	583,795	-78
Equity		**533,710**	**474,941**	**584,842**	**489,773**
Provision for deferred tax	13	42,517	34,858	0	0
Provisions		**42,517**	**34,858**	**0**	**0**
Credit institutions		249,924	157,163	0	0
Long-term debt	14	**249,924**	**157,163**	**0**	**0**
Credit institutions	14	8,232	8,332	0	0
Prepayments received from customers		656	0	0	0
Trade payables		9,082	24,225	273	0
Payables to group enterprises	14	0	0	7,519	0
Corporation tax		0	1,201	0	0
Payables to group enterprises relating to corporation tax		0	1,856	0	1,856
Other payables		36,155	12,515	38	100
Short-term debt		**54,125**	**48,129**	**7,830**	**1,956**
Debt		**304,049**	**205,292**	**7,830**	**1,956**
Liabilities and equity		**880,276**	**715,091**	**592,672**	**491,729**

Contingent assets, liabilities and other financial obligations	17
Related parties	18
Subsequent events	19
Accounting Policies	20

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,047	0	473,941	474,988
Exchange adjustments	0	-5,736	0	-5,736
Cash capital increase	0	0	95,913	95,913
Net profit/loss for the year	0	0	-31,455	-31,455
Equity at 31 December	**1,047**	**-5,736**	**538,399**	**533,710**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,047	488,773	489,820
Cash capital increase	0	95,913	95,913
Net profit/loss for the year	0	-891	-891
Equity at 31 December	**1,047**	**583,795**	**584,842**

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Result of the year		-31,455	-14,910
Adjustments	15	65,976	28,944
Change in working capital	16	31,429	-7,550
Cash flow from operations before financial items		**65,950**	**6,484**
Financial income		590	0
Financial expenses		-12,369	-4,177
Cash flows from ordinary activities		**54,171**	**2,307**
Corporation tax paid		-7,009	32,456
Cash flows from operating activities		**47,162**	**34,763**
Purchase of intangible assets		-81	0
Purchase of property, plant and equipment		-1,306	-487
Business acquisition		-200,288	-677,249
Cash flows from investing activities		**-201,675**	**-677,736**
Repayment of loans from credit institutions		-8,332	165,159
Raising of loans from credit institutions		101,552	0
Cash capital increase		95,960	489,811
Other adjustments		0	40
Cash flows from financing activities		**189,180**	**655,010**
Change in cash and cash equivalents		**34,667**	**12,037**
Cash and cash equivalents at 1 January		12,037	0
Cash and cash equivalents at 31 December		**46,704**	**12,037**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		46,704	12,037
Cash and cash equivalents at 31 December		**46,704**	**12,037**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	66,364	31,763	0	0
Pensions	5,164	2,092	0	0
Other social security expenses	2,704	296	0	0
Other staff expenses	1,651	358	0	0
	75,883	**34,509**	**0**	**0**

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

Average number of employees	**73**	**57**	**0**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	51,953	20,625	0	0
Depreciation of property, plant and equipment	203	202	0	0
	52,156	**20,827**	**0**	**0**

Notes to the Financial Statements

3. Financial income

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	0	0	0	894
Other financial income	590	0	1	0
Exchange adjustments	3,016	0	0	0
	3,606	**0**	**1**	**894**

4. Financial expenses

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	0	0	129	894
Other financial expenses	13,424	4,513	9	0
	13,424	**4,513**	**138**	**894**

5. Income tax expense

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	5,810	5,570	0	0
Deferred tax for the year	-4,870	-1,967	-249	-22
	940	**3,603**	**-249**	**-22**

6. Profit allocation

	Parent company	
	2022	2021
	TDKK	TDKK
Retained earnings	-891	-78
	-891	**-78**

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Acquired licenses	Acquired other similar rights	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	221	167,561	489,899
Exchange adjustment	0	-1,647	-3,479
Additions for the year	80	62,140	134,048
Cost at 31 December	301	228,054	620,468
Impairment losses and amortisation at 1 January	146	8,378	12,247
Amortisation for the year	77	21,878	29,998
Impairment losses and amortisation at 31 December	223	30,256	42,245
Carrying amount at 31 December	**78**	**197,798**	**578,223**
Amortised over	3 years	15 years	20 years

8. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	488
Additions for the year	1,307
Cost at 31 December	1,795
Impairment losses and depreciation at 1 January	203
Depreciation for the year	203
Impairment losses and depreciation at 31 December	406
Carrying amount at 31 December	**1,389**
Amortised over	3 - 5 years

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK

9. Investments in subsidiaries

	2022 TDKK	2021 TDKK
Cost at 1 January	489,851	0
Additions for the year	95,960	489,851
Cost at 31 December	585,811	489,851
Carrying amount at 31 December	**585,811**	**489,851**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Fokus ApS	Copenhagen, Denmark	40	100%	602,588	8,423

10. Other fixed asset investments

Group

	Other investments	Deposits
	TDKK	TDKK
Cost at 1 January	19,665	48
Additions for the year	4,100	0
Disposals for the year	0	-48
Cost at 31 December	23,765	0
Carrying amount at 31 December	**23,765**	**0**

11. Prepayments

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

12. Share capital

The share capital consists of 1,000,000 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

13. Provision for deferred tax

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	34,858	0	-22	0
Amounts recognised in the income statement for the year	-125	-1,967	-249	-22
Amounts recognised in equity for the year	7,784	36,825	271	0
Deferred tax liabilities at 31 December	**42,517**	**34,858**	**0**	**-22**

14. Long-term debt

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

The debt falls due for payment as specified below:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	249,924	157,163	0	0
Long-term part	249,924	157,163	0	0
Within 1 year	8,232	8,332	0	0
Short-term part	8,232	8,332	0	0
	258,156	**165,495**	**0**	**0**

Notes to the Financial Statements

15. Cash flow statement - Adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-3,606	0
Financial expenses	13,424	4,513
Depreciation, amortisation and impairment losses, including losses and gains on sales	52,156	20,828
Tax on profit/loss for the year	940	3,603
Other adjustments	3,062	0
	65,976	**28,944**

16. Cash flow statement - Change in working capital

	Group	
	2022	2021
	TDKK	TDKK
Change in receivables	7,570	-44,290
Change in trade payables, etc	19,389	36,740
Other adjustments	4,470	0
	31,429	**-7,550**

17. Contingent assets, liabilities and other financial obligations

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 by the Group amounts to DKK -156. 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 Group's liability.

Notes to the Financial Statements

18. Related parties

	Basis
Controlling interest	

Transactions

All transactions with related parties which have not been in accordance with market conditions will be disclosed. There have been no such transactions in the financial year.

Ownership

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

BlackFin Financial Services Fund III
TMJPF Holding ApS
MOMA Holding ApS

19. Subsequent events

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

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Fokus Group Holding ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 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, Fokus Group Holding 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.

Notes to the Financial Statements

Business combinations

Business acquisitions carried through on or after 1 July 2018

The Consolidated Financial Statements comprise the Parent Company, Fokus Group Holding 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.

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

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.

Notes to the Financial Statements

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

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

Income statement

Net sales

Revenue from sale of services, which includes fees from management and administration as well as transactions fee, is recognized in net revenue as the service is provided and when it is probable that economic benefits will accrue to the company and when revenue can be calculated reliably.

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

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

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. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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 with wholly owned Danish companies. 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 acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 year. The estimated financial life is based on the acticity's unique commercial position and the employee's commercial and technical skills that are expected to be in use for at least 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3 year.

Separately acquired intangible assets are measured at historical cost. Customer relations acquired through business combinations are recognised at fair value at the acqusition date. Customer relations is amortised on a straight-line basis over its useful life, which is assessed 15 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

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.

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.

Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

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.

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

Cash Flow Statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Notes to the Financial Statements

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

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Return on assets	Profit before financials 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