Holdingselskabet af 6. august ApS

Nitivej 10, 1., DK-2000 Frederiksberg

Annual Report for 2022

CVR No. 42 59 48 81

The Annual Report was presented and adopted at the Annual General Meeting of the company on 23/3 2023

Søren Bech Justesen
Chairman of the general meeting

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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 Holdingselskabet af 6. august 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.

Frederiksberg, 2 March 2023

Executive Board

Søren Bech Justesen
CEO

Board of Directors

Jens Albert Harsaae Chairman	Gert Sylvest	Oliver Krogh Hallin
Johan Erik Dahlfors	Martin Janson	Richard Thompson

Independent Auditor's report

To the shareholder of Holdingselskabet af 6. august 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 Holdingselskabet af 6. august 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.

- 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

Hellerup, 2 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Baunkjær Andersen State Authorised Public Accountant mne35483	Mads Lundemann State Authorised Public Accountant mne44181

Company information

The Company	Holdingselskabet af 6. august ApS Nitivej 10, 1. DK-2000 Frederiksberg CVR No: 42 59 48 81 Financial period: 1 January - 31 December Incorporated: 6 August 2021 Financial year: 2nd financial year Municipality of reg. office: Frederiksberg
Board of Directors	Jens Albert Harsaae, chairman Gert Sylvest Oliver Krogh Hallin Johan Erik Dahlfors Martin Janson Richard Thompson
Executive board	Søren Bech Justesen
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	477,081	101,628
Gross profit/loss	270,932	11,481
Profit/loss of financial income and expenses	-29,399	-6,556
Net profit/loss	-41,755	-51,148
EBITDA	69,830	-21,136
Normalized EBITDA	80,903	-15,256
Net interest bearing debt	480,491	409,125
Balance sheet		
Balance sheet total	1,684,718	1,686,905
Equity	927,276	961,886
Cash flows		
Cash flows from:		
- operating activities	24,365	-15,435
- investing activities	-99,114	-1,179,132
- financing activities	63,039	1,239,899
Number of employees	407	379
Ratios		
Gross margin	56.8%	11.3%
Return on equity	-4.4%	-10.6%
Equity ratio	55.0%	57.0%
EBITDA normalized margin	17.0%	-3.2%

Holdingselskabet af 6. august ApS acquired the LanguageWire Group and obtained control at 19 October 2021. The consolidated figures for the financial year 2021 includes only the period 19 October 2021 - 31 December 2021.

Management Review

Primary activities and business model

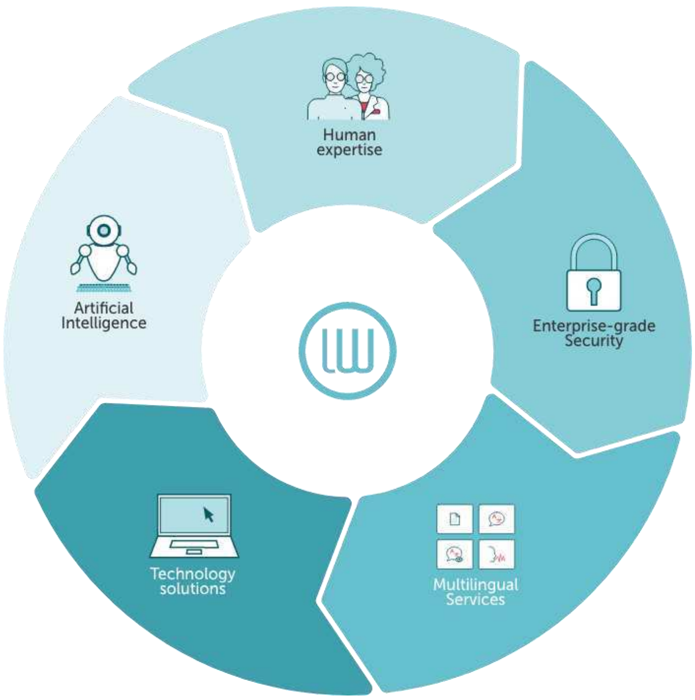
LanguageWire is a leading European Language Service and Technology Provider (LSTP), helping businesses engage and communicate with any audience across the globe. Since its founding in 2000, LanguageWire has pursued its vision of making global communications smarter and more efficient by providing access to relevant language experts and leading-edge language technology.

LanguageWire offers a language management ecosystem which combines bespoke AI technology and human expertise to deliver translations, editing, desktop publishing, and other multilingual content services with ease and efficiency. LanguageWire adapts its solutions to customer needs and integrates with customer-specific tech stacks, streamlines, and automates workflows, and ensures all data is protected in a secure infrastructure.

LanguageWire's solutions are delivered according to ISO 27001, ISO 17100, ISO 9001, ISO 18587, and ISO 13485. Further, LanguageWire is certified by TISAX, which is a strict security standard that certain customers require.

With 15 offices across three continents, over 400 employees, and a network of more than 7,000 language experts, LanguageWire is committed to the worldwide success of its customers.

More information about LanguageWire can be found on the Group's website at [www.languagewire.com.](http://www.languagewire.com)



Management Review

Key highlights in 2022 were:

- Significantly increased customer satisfaction measured through customer Net Promoter Score (from 50 to 68) based on more than 1,800 responses from customers
- Welcomed more than 65 new customers including several impressive blue-chip logos
- Continued strong employee satisfaction, with an Employee Net Promoter Score (eNPS) of 61
- Acquisition of AWS Group, a Paris-based Language Service Provider delivering services predominantly to the pharmaceutical, manufacturing, and business services sectors. The acquisition strengthens our competitive position in the French market
- Continued significant investments in software development and technology. Machine translation technology has developed rapidly the last five years and LanguageWire has led the vanguard in this field. The lead position was recently acknowledged by the language industry research company CSA, rating LanguageWire no. 1 in Post Edited Machine Translation (PEMT) in the entire industry
- Continued to invest in system resilience and scalability by moving our technology platform into the cloud, which was finalized in 2022
- Subtitling functionality was implemented in our translation management platform enabling a more automated and higher quality solution for our customers and language experts
- In 2022, all four ISO certifications (9001, 17100, 27001 and 18587) were renewed together with the German TISAX certification. Further, ISO 13485 was added to the number of ISO standards in LanguageWire, and we now hold 6 certifications in total. ISO 13485 provides an international standard for quality management in medical device manufacturing and related services which is a clear testament to our Pharma industry vertical
- Signe Winther Poulsen, former VP of Operations Excellence, was promoted to Chief Operations Officer (COO) and joins the leadership team
- Continuing to streamline the legal structure by merging the newly acquired entity in France with our branch office in France (Please see page 11 for our Group Charter)
- Rolled out our Purpose and Values, further explained in the CEO letter below.

With these achievements in 2022, LanguageWire is in a good position to continue our journey of Wiring the World Together with Language in 2023.

Management Review

Letter from the CEO

Reflecting on 2022, we have faced many challenges and difficult moments. However, we also have many positive achievements to be proud of.

Foremost, our thoughts and sentiment go to our colleagues in Ukraine. They have been fighting an egregious act of violence imposed by Russia. My deepest sympathies go to our Ukrainian colleagues displaced and attacked across the country.

In addition to the direct impact of the war on our colleagues in Ukraine the war has also impacted LanguageWire indirectly as customers became cautious about their uncertain economic outlook and delayed projects. The macro and geopolitical uncertainty continued throughout the summer and autumn, leading to initiatives in LanguageWire to cope with the lower activity level. We are proud of the way the LanguageWire organization has responded to this economic uncertainty helping our customers through these difficult times and strengthening the bonds between our global teams. During 2022, we have not lost any major customers. On the contrary, we have seen a record conversion of new customers over the last 18 months, which has partly mitigated the drop in activity in the market in general and provides a good foundation together with a record high customer satisfaction for future growth.

In 2022, we have matured as an organization. For example, we introduced LearningWire Academy, an internal training tool where we share best practices across our teams. We also implemented our Values and Purpose into our organization. One of the implementation initiatives was to focus on either one Value or Purpose for an entire month - running various activities across all offices. This has been both great fun and engaging for the teams and videos, pictures, stories, knowledge etc. were shared across the organization to promote and emphasize best practice.

In 2022, we also completed other initiatives that will create the foundation for our continued success into 2023 – including, Dynamic Vendor Pricing, our Platform Cloud Migration, and subtitling functionalities in our technology platform.

We are now at a sustainable level for our business activities and, thus, in a good place moving into 2023. We remain convinced and excited about the long-term strategy of growing organically in our current markets by leveraging the strength of our people, partners, and superior technology. Additionally, we continue to pursue acquisition opportunities to build further international presence and to increase the volumes put through our scalable tech platform. In 2022, we welcomed AWS, now LanguageWire France SAS, as part of the LanguageWire group, which significantly strengthens our foothold in the French market.

I want to thank our more than 400 colleagues for their loyalty and belief in LanguageWire during a challenging year. Furthermore, a special thank you to our customers, freelance translators, other language experts, as well as our partners for the trust you give us – because without you, we could not succeed.

Søren Bech Justesen
CEO

Management Review

Financial performance

Holdingselskabet af 6. august ApS acquired the LanguageWire Group and obtained control on 19 October 2021. The consolidated figures for the financial year 2021 include only the period 19 October 2021 - 31 December 2021. Therefore, comparison figures below are from Languagewire Holding A/S.

In 2022, revenue increased by 1.0% to DKK 477 million, driven by new customers and the acquisition of AWS. This was partly countered by reduced sales to existing customers due to uncertainty and delay in projects impacted by the macroeconomic and geopolitical events. The gross profit increased to DKK 271 million in 2022 (2021: DKK 280 million) driven by deliberate human and technological efforts to improve efficiency. EBITDA before adjustment of one-off items for the year landed at DKK 70 million (2021: DKK 97 million), whereas EBITDA after adjustments reached DKK 81 million (2021: DKK 91 million). Adjustments relate primarily to one-off items in relation to M&A activities and severance payments. The decrease in EBITDA was largely driven by the lower than expected revenue. As a result, we have reduced our cost base, to better reflect current activity levels.

Due to the macro and geopolitical environment described above, we did not meet our initial growth expectation in 2022 but we are expecting to return to higher growth in 2023.

Subsequent events

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

Outlook

In 2023, we expect an EBITDA before one-off items in the range of DKK 80-110 million. The guidance is based on that business performance, customer and competitor behavior will remain at current levels.

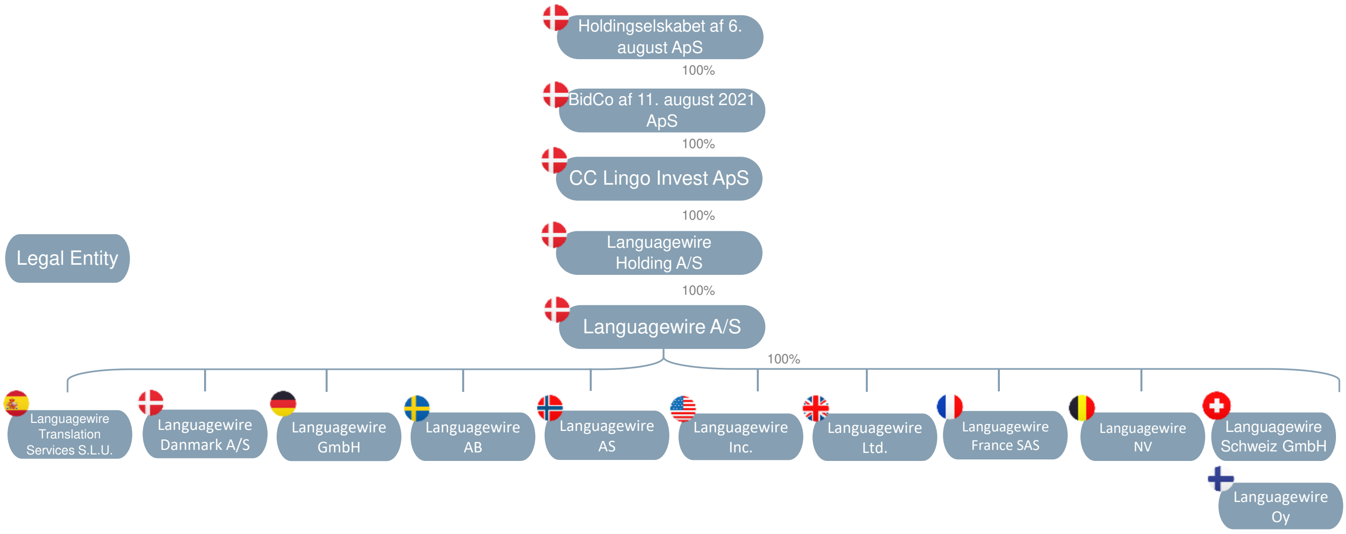
Management Review

Group relations

LanguageWire is 100% owned by Languagewire Holding A/S. The owners of the group are funds managed by the international private equity investor Bridgepoint (92%) and Group management (8%).

The Company owns 100% of Languagewire Translation Services S.L.U. (Spain), Languagewire Denmark A/S, Languagewire GmbH (Germany), Languagewire AB (Sweden), Languagewire AS (Norway), Languagewire Inc. (USA), Languagewire Ltd. (UK), Languagewire France SAS, Languagewire NV (Belgium), Languagewire Schweiz GmbH (Switzerland) and Languagewire OY (Finland). Please refer to the Group structure below.

Group structure



Country overview

LanguageWire operates from 15 offices in 11 countries, which are Spain, Denmark, Germany, Sweden, the US, the UK, France, Belgium, Switzerland, Ukraine, and Poland.

As of 31 December 2022, LanguageWire had 425 full time employees, which is in line with the end of December 2021. Of these, 350 employees (more than 80%) are located outside of Denmark.

Nordics

The Nordic region is served by offices in Copenhagen, Aarhus, Stockholm and Varberg. The Nordic region counts 105 FTEs, including the headquarter in Copenhagen.

Germany and Switzerland

The DACH region is served by offices in Hamburg, Munich and Zürich and count a total of 50 FTEs.

UK

The region operates out of an office in London with 8 FTEs.

Belgium, the Netherlands, and France

Customers in Belgium and the Netherlands are handled by our office in Leuven, while customers in France are managed out of the office in Paris and Lille. The region employs 38 FTEs.

Management Review

US
The US customers are managed from our office in Atlanta, with a total of 5 FTEs.

Spain

A large part of LanguageWire's operations, technology, and product organization is managed out of Valencia with a total of 187 FTEs.

Ukraine and Poland
LanguageWire has technology development centers in Kyiv and Gdansk which today count 24 and 8 FTEs respectively.

Environmental, Social and Governance
One of LanguageWire's values is: "Caring". This value is also incorporated in our caring for the planet, our society, our customers, and our organization. In 2022, we initiated a governance framework around how to work with Environment, Social and Governance (ESG) at LanguageWire. A member of the Board and Group Management participates in the work around the ESG together with three groups represented by employees (one for each of the three ESG areas). As a result, LanguageWire has expanded the number and scope of ESG initiatives, including the number of ESG measurements monitored. For a description of our business model please visit "Primary activities and business model" on page 7.

The language industry is a sector not usually associated with negative footprints on the environment, human rights issues, or biased gender distribution. However, we still believe there are areas we can improve and operating within a formalized ESG framework will enable us to achieve this.

In 2022, LanguageWire was rated by EcoVadis and was awarded a good rating on par with our benchmark. EcoVadis performs an annual sustainability assessment of thousands of companies globally, covering environment, labor and human rights, ethics, and sustainable procurement. The rating illustrates our current maturity level, which we aim to continuously improve going forward.

Environment
As most services in LanguageWire do not include physical items or production processes, the global environmental footprint is low. Our ambition is to become CO2 neutral by reducing our footprint to an absolute minimum and offsetting the rest.

Environmental ratios (see p. 20 for explanations)	**Unit**	**2022**	**2021**	**2020**
Scope 1 - nothing to report	Tons	-	-	-
Scope 2	Tons	106	122	123
Energy comsumption from offices	mWh	243	238	266
Share of consumption from renewable sources	%	10	-	-
CO2e from offices	Tons	91	102	104
CO2e from data centers	Tons	15	20	19
Scope 3	Tons	221	143	146
CO2e from business travel*	Tons	133	71	79
CO2e from company cars	Tons	48	62	63
CO2e from platform in the cloud	Tons	41	10	3
Total CO2e	Tons	326	265	269
CO2e intensity	Tons per DKKm revenue	0.68	0.56	0.62

*2020 and 2021 based on travel spend as direct emissions is not known

Management Review

CO2e, scope 1: Direct GHG emissions from owned or controlled sources, accounted for according to the GHG Protocol.
CO2e, scope 2: Indirect emissions due to purchase of electricity, heat, steam, etc. for use in owned and controlled activities, accounted for using the GHG Protocol.
CO2e, scope 3: Indirect emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions, accounted for using the GHG Protocol.

In 2022, LanguageWire continued its efforts to minimize the environmental implications of transportation between the offices by using telephone and video conferencing equipment to the greatest extent possible. In accordance with the efforts to minimize LanguageWire's environmental footprint, the ambition is to:

- Comply with environmental legislation and other requirements, such as approved codes of practice;
- Continually seek to minimize pollution, emissions, energy, and waste (e.g., emissions from transport, etc. generated by the activities of LanguageWire);
- Actively promote recycling in offices;
- Promote the use of digital communication channels to reduce the need for business travel;
- Raise employee awareness of the importance of environmental care, including encouraging participation in environmentally supportive activities and providing the corresponding training;
- Incorporate environmental practices for procurement; and
- Continue to increase virtualized server infrastructure in our global offices

The environmental policy of LanguageWire is reviewed annually, or when major changes exist.

Targets for 2022	Status	Targets for 2023
ESG working group established to revisit environmental ambitions and identify relevant measures	Achieved	Increase the level of renewable energy from our offices to >40%
Identify relevant sustainable development goals (SDGs) to work with	Descoped as we have decided to go in a different direction	

Our people and Social
Our ambition within this area is *to wire the world together with language – including our people*. We recognize that our people are what makes LanguageWire succeed, and we want them to thrive and succeed. In 2021, we defined our values and purpose, and in 2022 we implemented them internally and shared them externally. We believe that by being able to articulate our purpose, we support our employees in connecting their contributions in LanguageWire to something meaningful – which is proven to be the most important factor in personal motivation. Our four values are visualized as follows:

WE ARE CURIOUS
We are curious, open and never afraid to question the existing in order to innovate the future.

WE ARE TRUSTWORTHY
We believe that all relationships are based on honesty and responsibility.

WE ARE CARING
We care about the wellbeing of the planet, our societies, our customers and each other.

WE ARE AMBITIOUS
We are ambitious, bold and visionary when it comes to solutions, growth, and living our purpose.

This also means we are curious about our employees' engagement, measured in biweekly surveys. The Organizational results are shared openly in monthly meetings for all employees, whereas divisional, functional, and team results are discussed locally. We believe in conversations and sharing information in structured formats to achieve the greatest benefits. In 2022 our employee NPS was 61 on par with the level in 2021, which we are very proud of as the result is significantly higher compared to our benchmarking peers.

We acknowledge that as the nature of our workforce changes, we will have to be even more intentional about our culture and cultivating an environment of inclusion, belonging, and flexibility. Therefore, we are operating with a flexible working concept, removing the potential hurdle of coming into the office daily, which can also reduce our environmental footprint. This creates flexibility to pick up kids, care for sick family members, go for a mid-day run to keep energy high, etc. We believe flexibility can result in higher satisfaction and better well-being. Periodically getting away from the office has measurable benefits for innovation by creating "head space" for employees and offering new ways—or "fresh eyes"—to look at projects.

LanguageWire supports initiatives that promote a social and enjoyable work environment by allocating money to the employee association, PeopleWire, which is the prime driver for social initiatives in LanguageWire. Additionally, the Company supports various physical activities, such as running, yoga, meditation, and cycling events. In the offices, fresh fruit is available throughout the week, and employees participate in communal breakfast on Fridays.

Further, during the implementation of our value "Caring," multiple offices engaged in socially responsible activities (collecting plastic, blood donation, food donations, etc.) to show care for their local communities.

Below please find some of the key ratios we are measuring with further explanations below:

Social ratios (see p. 20 for explanations)	**Unit**	**2022**	**2021**	**2020**
Employees total (avg.)	Heads	424	345	212
Total number of FTEs (avg.)	FTEs	409	331	203
Total employee turnover	%	20.8	19.7	21.6
Gender diversity, all employees	% Women	59	61	66
Gender diversity, leaders	% Women	46	42	47
Gender diversity, BoD	% Women	0%	0%	25%
Employee NPS	NPS	61	62	n/a
Customer NPS	NPS	68	50	51
Vendor NPS	NPS	32	30	23

A workforce made up of various cultures, genders, ages, and languages provides valuable perspectives. This focus on diversity is essential for our creativity, agility, competitiveness, and, ultimately, our success. This is achieved by fostering a supportive environment where all individuals can realize their potential. Specifically, the gender distribution within departments is tracked at different levels of the organization. We will continue to work on improving our social areas of focus.

Gender diversity
In 2022, LanguageWire's gender diversity was 59% women, and LanguageWire's overall diversity policy is to employ and promote the best and most suitable persons, regardless of gender. This is embedded in the recruitment process of LanguageWire.

Management Review

As of 31 December, the gender diversity in leadership positions was 46% women. LanguageWire has an ambition that there should be at least 40%, which was fulfilled. The Company will continue to work on achieving a balanced mix of each gender in the recruiting process for management positions.

Pursuant to section 99b of the Danish Financial Statements Act, the Board of Directors set its diversity ambition to have at least two board members of each gender on the Board. The Board did not live up to this ambition in 2022 as it was unable to find suitable candidates. As of 31 December, the Board consists of six people, which are all men. The Board will continue to work on achieving a balanced mix of genders with the aim to have at least one female on the Board by the end of 2023.

Targets for 2022	Status	Targets for 2023
At least two board members of each gender on the Board	Not accomplished	At least one female board member

Our customers
The customers we service are leading global brands across all industries. We have diversified sector exposure and a broad geographic distribution of customers. The total number of customers amounts to more than 2,000 active customers.

In 2022, we had a target of reaching a customer net promoter score (cNPS) of at least 50. We reached 68 and thereby outperformed the target. The score tells us how likely customers will recommend LanguageWire to a friend or colleague. Any cNPS score above 0 is good, while above 20 is favorable and above 50 is excellent. Therefore, we are proud and thankful for the satisfaction and loyalty illustrated in the score from our customers.

Target for 2022	Status	Target for 2023
Net promoter score >50	Accomplished	Net promoter score >55

Our language experts ('freelance translators or vendors')
Our external language experts are also a key asset, ensuring quality deliveries across all languages and industry verticals. Therefore, their loyalty and engagement towards LanguageWire are of high importance to us, and we want to be their preferred partner. We continuously seek to improve our collaboration and engagement via newsletters, social media posts and webinars. Based on responses from more than 900 vendors, our Net Promoter Score (NPS) of our external language experts increased to 32 in 2022 (from 30 in 2021), and the Net Effort Score (NES) increased to 48 (from 42). The NPS tells how likely a vendor would recommend working with LanguageWire to a friend or a colleague, whereas the NES tells whether vendors find it easy to work with
LanguageWire.

Quality
LanguageWire is known as a trusted partner for many global enterprises by delivering solutions according to best practice processes and delivering them in an industry-leading, cloud-based data security infrastructure. LanguageWire's solutions are delivered according to ISO 9001, ISO 17100, ISO 27001, ISO 18587, and ISO 13485. In 2022, ISO 13485 was added, providing an international standard for quality management in medical device manufacturing and related services, which is a clear commitment to the pharmaceutical industry vertical. Further, LanguageWire is certified by TISAX, a strict security standard that large number of organizations in the automobile sector require.

Management Review

Key risks

LanguageWire's Board and Executive Management are in a close dialogue regarding the Company's key risks, i.e., identifying and monitoring risks that could potentially have a large impact on the Company. The following table identifies the key risks to LanguageWire, including the corresponding mitigating measures that have been initiated in the various areas.

	Risk description	Risk mitigation
Market	- Failure to grow business - Price pressure - Market disruption from new entrants	- Close collaboration with customers - Improved technology/services and products
Product	- Platform availability and development	- Business continuity plans - Continuous improvement of our platform
Cyber security & Technology	- Cyber attacks - System breakdown	- IT security installations - Training of employees - External tests and assistance
Sourcing	- Failure to source vendors	- Continue sourcing and close dialogue with our language experts
People	- Failure to attract, develop and retain key employees	- Engagement surveys - Training programs - Living our purpose and values - Employer branding
Financial	- Credit, debt, currency, and interest risk	- Hedges and continuous monitoring of currency and interest levels - Overdue debt is addressed promptly
Other	- Lockdown of society or other geopolitical risks	- Business continuity plan - Ability and flexibility to work from home with good IT setup

Market risks

To continue staying relevant for our customers, LanguageWire needs to deliver good service and produce high-quality content at competitive prices. Partnerships are integral in accessing customers and markets, and LanguageWire strives to nurture these relations. The advanced technological capabilities and continued high level of investments in new technology and people assure our competitiveness. Moreover, the Company continuously monitors and implements new technologies to uphold value-creating offerings for our customers.

Product risks

LanguageWire's business rationale is to deliver language products and services through LanguageWire's technology platform. The largest risk is the quality and timing of our services, which are controlled by the human element, as well as the Company's technology assets. To manage and mitigate risk, the Company is ISO certified in the ISO 17100 (Translation services), ISO 9001 (Quality management systems), ISO 27001 (Information security management), ISO 18587 (Translation services — post-editing of machine translation output), and our newest addition ISO 13485 (Medical devices) standards. These certifications will provide the highest level of quality assurance in the industry. Further, significant investments are made yearly to maintain and develop our platform.

Cyber security and technology risks

As a technology company, technology is at the core of all our offerings. High levels of IT security are paramount, and the Company works continuously to ensure that its policies and practices provide the best levels of security possible e.g., by being certified by ISO 27001 (Information security management). Furthermore, LanguageWire's platform is placed in a secure cloud-based infrastructure.

Management Review

During 2022, LanguageWire upgraded its internal security installations, improved the training standards of employees, and engaged with an external partner to assist with security assurance.

Sourcing risks
We work with some of the best-skilled freelance translators in the industry, and their contributions are vital. Nurturing the community to ensure a sustainable recruitment base for future growth is essential. However, the market for language experts is large, and with our attractive automated technology and new PEMT pricing, the sourcing risk is deemed low.

People risks
Our employees at LanguageWire are our most important asset. Therefore, there is an inherent risk related to attracting, developing, and retaining the required talent. LanguageWire has a formalized approach to employee recruitment, runs biweekly engagement surveys and conducts training sessions for teams and leaders. There is a strong focus on employee engagement, development, and well-being within LanguageWire with various programs conducted throughout the year. For example, as part of the employee development work a framework has been created to foster development conversations between employee and leader with a focus on professional and personal growth. Furthermore, a new learning management platform has been implemented to secure best practices and knowledge sharing.

Financial risks
The Board and the Executive Management regularly evaluate whether the capital structure of the Company and the Group is in accordance with the overall targets and supports long-term sustainable economic growth.

The Company's credit risks relate to trade receivables included in the balance sheet. The Company has a long track record of little or no loss on trade receivables. A provision for overdue trade receivables is applied based on a mathematical model. The risk is deemed small. However, the trade receivable aging reports are monitored monthly, and any overdue is addressed promptly.

LanguageWire is exposed to exchange rate risks in the countries where its commercial activities are located. Whilst these risks are at a relatively low level, they are still monitored closely. Most of the commercial activities are carried out in Europe, with EUR (incl. DKK) as the main currency, followed by SEK, NOK, and GBP.

Interest rate risk arises in relation to interest-bearing assets and liabilities. The interest rate risk varies according to the utilization of the committed debt facility. A cap on the interest on part of the loan portfolio has been acquired to partially mitigate the risk.

Other risks
LanguageWire is exposed to risks in countries where we have a physical presence. Therefore, the Company and management closely monitor geopolitical risks, for example, the current war in Ukraine and other risks, such as the pandemic. Relevant mitigating action plans are prepared and implemented across the affected businesses.

Governance
Our ambition within 'Governance' is to be responsible in all aspects of our business by highlighting LanguageWire's focus on compliance, transparency, and the quality of our business. We will continue working on strengthening our governance.

Management Review

The organization of LanguageWire's management is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act, and the Company's articles of association. LanguageWire has based its corporate governance efforts on a two-tier system, where the Board of Directors and the Executive Management have two distinct roles. The Executive Management undertakes the operational management of the Company, whereas the non-executive Board of Directors approves the overall Company strategy based on input from Executive Management and acts as an active sparring partner to the Executive Management of the Company. The Board ensures that the Executive Management follows the defined objectives, strategies, and business procedures formalized through the rules of procedures for the Board of Directors and Executive Board, with specific guardrails for decision-making. Feedback from Executive Management takes place systematically in meetings and through written and verbal reports. The Board considers that this, along with the internal procedures, provides adequate and effective risk management and appropriate internal controls.

Board meetings follow a fixed schedule, with at least five annual meetings. At one of the meetings, the strategy is defined, including objectives, goals, and initiatives. Monthly business review meetings are held on top of the Board meeting to ensure a close and continuous dialogue with the daily management of the Company. In 2022, an Audit Committee was established to assist the Board in overseeing the financial reporting process and the effectiveness of the internal control and risk management systems. The Audit Committee is responsible for assisting the Board of Directors in evaluating the effectiveness of LanguageWire's internal controls and risk management systems and the quality of its financial reporting. Besides the Audit Committee, a working group has been established around M&A activities and one around ESG, both with participation from the Board.

Anti-Bribery & Corruption (ABC)
The Company has, during 2022, upgraded its anti-bribery and corruption policy. The policy ensures that the Company and employees act according to high ethical standards. LanguageWire adheres to the laws and regulations in the countries in which it operates. For example, any form of bribery, including gifts, hospitality, or entertainment, that could raise concerns about the companies' integrity is not accepted. The ABC policy clearly forbids participation in any kind of bribery or facility payments – both directly and indirectly. The primary risk would be an employee who does not follow our company policy. To mitigate this, we have implemented regular training for our employees to ensure they understand the rules. More than 95% of employees completed the training in 2022 and throughout 2022 the Company has not had any anti-bribery or corruption cases.

Anti-money Laundering (AML)
As a Company, we are committed to ensuring that all applicable AML laws and regulations are adhered to for all aspects of our business. We only engage with third parties that are involved in legitimate business activities and can show that their funds derive from legitimate sources. During 2022 we implemented a policy on AML stating our zero-tolerance position on money laundering.

Cybersecurity
LanguageWire has implemented an information security policy with the objective of preserving the confidentiality, integrity, and availability of all the electronic and physical information assets throughout LanguageWire.

Data Ethics
Data ethics is about the responsible use of data. A large amount of data goes through the

Management Review

LanguageWire platform. Data and information security is a key priority in LanguageWire, and it is essential that both our customers and employees always feel safe when entrusting us with their data.

- Security: To safeguard high ethical data standards, LanguageWire ensures appropriate technical and organizational security measures are implemented to prevent the accidental or unlawful destruction, accidental loss, alteration, or change, and unauthorized disclosure of or access to data
- Fairness: It is about doing what is right and only handling personal data in ways that people would reasonably expect and not using it in ways that have unjustified adverse effects on them. In that regard, LanguageWire considers whether the use of personal information can be justified, and that processing is compatible with what can be expected in a free and democratic society and in accordance with human rights.
- Transparency: We are transparent about our data processing activities and are clear about how and why we use personal data.

A significant amount of the data ethics considerations are already part of our customer dialog before the start of any project delivery. We do not sell any data to any third parties or profit from it in any way. Please also visit https://www.languagewire.com/en/info/privacy-policy

Health & Safety
As a Company whose employees work in many different locations, health and safety are of particular importance. At LanguageWire, we must be familiar with the safety standards and policies established to protect our employees in all our areas of operation, and ensure we comply with them. We are fully focused on ensuring that a healthy and safe working environment is provided in accordance with current legislation.

Human Rights & Modern Slavery
LanguageWire supports all human rights protected by national as well as international laws. We believe the primary risks within human rights relate to whether we use language experts of a minor age. To mitigate this, we conduct a rigorous selection process when deciding who can become a partner of LanguageWire. During 2022, the Company has not received any complaints in relation to breaches of any human rights.

Whistle-blower function
LanguageWire has implemented a whistle-blower policy and correspondingly set up a whistle-blower function with reporting facility. The Audit Committee conducts a yearly review of the whistleblower function, reporting facility and would meet to discuss any cases raised. A third-party legal company supports the reporting facility.

Other
The Company and its subsidiaries are closely monitored by Group Finance, which also handles the financial management of subsidiaries and ensures an appropriate degree of separation of functions.

The Code of Business Conduct document was not implemented in 2022, as the focus has rather been on upgrading and implementing policies within Anti-Bribery and Corruption, Anti-Money Laundering, Cybersecurity, Health & Safety, Human Rights & Modern Slavery, remuneration and whistle-blower.

Management Review

Targets for 2022	Status	Targets for 2023
Complete revision of Business Ethics Policy including human rights and complete training of 90% of employees	Accomplished	Adequate framework of policies and processes around business conduct, governance, risk management and internal controls
Code of Business Conduct document	Not accomplished	
Establish Audit Committee	Accomplished	

Explanation of ESG ratios

Headcount	The number of people employed
FTE	Full Time Equivalent. Workload of headcounts
CO2e intensity:	Tons CO2e / revenue
TCO2e	Calculated via the GHG Emission Wizard from GreenStonePlus
Employee turnover:	Heads leaving (excl. heads with a fixed end date) / Average heads
Gender diversity, all employees	% Women heads at year end
Gender diversity, leaders	% Women heads in leadership positions at year end
Gender diversity, BoD	% Women heads in Board at year end
Employee NPS	An average of score in 2022 with participation of all employees
Customer NPS	An average of score in 2022 from more than 1,800 customer replies
Vendor NPS	An average of score in 2022 from more than 900 vendor replies

Management's Review

The Board of Directors and Executive Management

The CEO is Søren Bech Justesen

The composition of the Board is as follows:

Jens Albert Harsaae, Chairman

Johan Dahlfors

Martin Janson

Oliver Krogh Hallin

Gert Sylvest

Richard Thompson

Management's Review

The Board of Directors and Executive Management

The Board members hold the following positions:

Chairman, Jens Albert Harsaae

Chairman	***Deputy Chairman***	***Board member/CEO***
Languagewire Holding A/S	CO-RO HOLDING A/S	ABACUS MEDICINE A/S
Languagewire A/S	CO-RO A/S	RAKAAS ApS
PLUS PACK A/S		
INTERNET INTELLIGENCE HOUSE NORDIC A/S		
CC Globe Holding I ApS		
CC Globe Holding II A/S		
Group Online A/S		
JumpStory ApS		
Takt A/S		
Holdingselskabet af 6. august ApS		
CC Lingo Invest ApS		
BidCo af 11. august 2021 ApS		

Johan Dahlfors, Partner at Bridgepoint

Chairman	***Deputy Chairman***	***Board member/CEO***
		Vitamin Well
		FCG
		Oris Dental
		Languagewire Holding A/S
		Languagewire A/S
		Holdingselskabet af 6. august ApS
		CC Lingo Invest ApS
		BidCo af 11. august 2021 ApS

Board member Martin Janson, Director at Bridgepoint

Chairman	***Deputy Chairman***	***Board member/CEO***
		Languagewire Holding A/S Languagewire A/S Holdingselskabet af 6. august ApS CC Lingo Invest ApS BidCo af 11. august 2021 ApS Vitamin Well

Board member Oliver Krogh Hallin, Associate at Bridgepoint

Chairman	***Deputy Chairman***	***Board member/CEO***
		Languagewire Holding A/S Languagewire A/S Holdingselskabet af 6. august ApS CC Lingo Invest ApS BidCo af 11. august 2021 ApS

Board member Gert Sylvest, Co-founder and GM of Small Business and Fintech products at Tradeshift

Chairman	***Deputy Chairman***	***Board member/CEO***
		Languagewire Holding A/S Languagewire A/S Holdingselskabet af 6. august ApS CC Lingo Invest ApS BidCo af 11. august 2021 ApS Tradeshift AB Etherware ApS Tradeshift ApS

Board member Richard Thompson, former CEO and CFO of RWS

Chairman	***Deputy Chairman***	***Board member/CEO***
		Languagewire Holding A/S Languagewire A/S Holdingselskabet af 6. august ApS CC Lingo Invest ApS BidCo af 11. august 2021 ApS

Income statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	477,081	101,628	0	0
Other operating income	2	30,692	0	0	0
Cost of goods sold		-181,452	-43,028	0	0
Other external expenses		-55,389	-47,119	-508	-547
Gross profit		**270,932**	**11,481**	**-508**	**-547**
Staff expenses	3	-201,102	-32,125	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-97,572	-23,179	0	-1,152
Profit/loss before financial income and expenses		**-27,742**	**-43,823**	**-508**	**-1,699**
Financial income	5	5,109	286	60	-63
Financial expenses	6	-34,508	-6,842	-177	0
Profit/loss before tax		**-57,141**	**-50,379**	**-625**	**-1,762**
Tax on profit/loss for the year	7	15,386	-769	75	0
Net profit/loss for the year	8	**-41,755**	**-51,148**	**-550**	**-1,762**

Balance sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Completed development projects		71,747	49,135	0	0
Acquired other similar rights		602,254	622,627	0	0
Goodwill		820,127	836,032	0	0
Development projects in progress		19,060	17,295	0	0
Intangible assets	9	**1,513,188**	**1,525,089**	**0**	**0**
Other fixtures and fittings, tools and equipment		4,324	1,624	0	0
Property, plant and equipment	10	**4,324**	**1,624**	**0**	**0**
Investments in subsidiaries	11	0	0	1,010,141	973,417
Deposits	12	3,947	2,001	0	0
Fixed asset investments		**3,947**	**2,001**	**1,010,141**	**973,417**
Fixed assets		**1,521,459**	**1,528,714**	**1,010,141**	**973,417**
Trade receivables		96,992	92,222	0	0
Contract work in progress	13	19,432	13,481	0	0
Receivables from group enterprises		0	0	401	0
Other receivables	14	10,543	6,825	0	0
Deferred tax asset	17	0	0	75	0
Corporation tax		1,565	0	0	0
Prepayments	15	1,105	331	0	0
Receivables		**129,637**	**112,859**	**476**	**0**
Cash at bank and in hand		**33,622**	**45,332**	**5,946**	**38,402**
Current assets		**163,259**	**158,191**	**6,422**	**38,402**
Assets		**1,684,718**	**1,686,905**	**1,016,563**	**1,011,819**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Share capital	16	10,182	10,126	10,182	10,126
Reserve for hedging transactions		5,725	0	0	0
Retained earnings		911,369	951,760	1,005,669	1,001,146
Equity		**927,276**	**961,886**	**1,015,851**	**1,011,272**
Provision for deferred tax	17	143,484	159,212	0	0
Provisions		**143,484**	**159,212**	**0**	**0**
Credit institutions		502,938	445,994	0	0
Long-term debt	18	**502,938**	**445,994**	**0**	**0**
Credit institutions	18	11,175	8,463	0	0
Prepayments received from customers		26,268	16,427	0	0
Trade payables		31,829	30,646	0	0
Payables to group enterprises		0	0	591	0
Corporation tax		1,859	3,131	0	0
Other payables	14	39,889	61,146	121	547
Short-term debt		**111,020**	**119,813**	**712**	**547**
Debt		**613,958**	**565,807**	**712**	**547**
Liabilities and equity		**1,684,718**	**1,686,905**	**1,016,563**	**1,011,819**

Contingent assets, liabilities and other financial obligations	21
Related parties	22
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Statement of changes in equity

Group

	Share capital	Share premium account	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,126	0	0	951,760	961,886
Cash capital increase	56	5,548	0	0	5,604
Exchange adjustments relating to foreign entities	0	0	0	-4,184	-4,184
Fair value adjustment of hedging instruments, end of year	0	0	7,340	0	7,340
Tax on adjustment of hedging instruments for the year	0	0	-1,615	0	-1,615
Net profit/loss for the year	0	0	0	-41,755	-41,755
Transfer from share premium account	0	-5,548	0	5,548	0
Equity at 31 December	**10,182**	**0**	**5,725**	**911,369**	**927,276**

Parent company

	Share capital	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	10,126	0	1,001,146	1,011,272
Cash capital increase	56	5,548	0	5,604
Other equity movements	0	0	-475	-475
Net profit/loss for the year	0	0	-550	-550
Transfer from share premium account	0	-5,548	5,548	0
Equity at 31 December	**10,182**	**0**	**1,005,669**	**1,015,851**

Cash flow statement 1 January - 31 December

	Note	Group 2022	Group 2021
		TDKK	TDKK
Result of the year		-41,755	-51,148
Adjustments	19	111,512	30,504
Change in working capital	20	-18,291	5,313
Cash flow from operations before financial items		**51,466**	**-15,331**
Financial income		7,618	0
Financial expenses		-34,764	0
Cash flows from ordinary activities		**24,320**	**-15,331**
Corporation tax paid		45	-104
Cash flows from operating activities		**24,365**	**-15,435**
Purchase of intangible assets		-33,279	-6,449
Purchase of property, plant and equipment		-3,541	-93
Business acquisition		-62,294	-1,172,590
Cash flows from investing activities		**-99,114**	**-1,179,132**
Repayment of loans from credit institutions		57,435	0
Raising of loans from credit institutions		0	226,905
Cash capital increase		5,604	1,012,994
Cash flows from financing activities		**63,039**	**1,239,899**
Change in cash and cash equivalents		**-11,710**	**45,332**
Cash and cash equivalents at 1 January		45,332	0
Cash and cash equivalents at 31 December		**33,622**	**45,332**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		33,622	45,332
Cash and cash equivalents at 31 December		**33,622**	**45,332**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Nordics	230,196	50,793	0	0
DACH	131,441	31,997	0	0
BeneFrance	75,437	10,473	0	0
UK & US	39,847	8,365	0	0
	477,081	**101,628**	**0**	**0**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Other operating income				
Capitalized costs for development projects	30,619	0	0	0
Other income	73	0	0	0
	30,692	**0**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3. Staff Expenses				
Wages and salaries	186,797	29,864	0	0
Pensions	9,030	567	0	0
Other social security expenses	1,178	246	0	0
Other staff expenses	4,097	1,448	0	0
	201,102	**32,125**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**3,696**	**568**		
Average number of employees	**407**	**379**	**0**	**0**

Salary in 2022 includes DKK 30,619k there is transferred to capitalized costs for development projects.

The Management has a bonus program of which is based on financial and commercial KPI's.

The board has selectively invited key employees to acquire shares in Holdingselskabet af 6. august ApS at fair market value.

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	96,482	23,091	0	1,152
Depreciation of property, plant and equipment	1,090	88	0	0
	97,572	**23,179**	**0**	**1,152**

Notes to the Financial Statements

5. Financial income

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Other financial income	1,105	286	60	-63
Exchange gains	4,004	0	0	0
	5,109	**286**	**60**	**-63**

6. Financial expenses

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Other financial expenses	29,427	6,842	177	0
Exchange loss	5,081	0	0	0
	34,508	**6,842**	**177**	**0**

7. Income tax expense

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Current tax for the year	3,552	3,131	0	0
Deferred tax for the year	-15,641	-2,362	-62	0
Adjustment of tax concerning previous years	-1,682	0	0	0
Adjustment of deferred tax concerning previous years	0	0	-13	0
	-13,771	**769**	**-75**	**0**
thus distributed:				
Income tax expense	-15,386	769	-75	0
Tax on equity movements	1,615	0	0	0
	-13,771	**769**	**-75**	**0**

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK

8. Profit allocation

	2022	2021
Retained earnings	-550	-1,762
	-550	**-1,762**

Notes to the Financial Statements

9. Intangible fixed assets

Group

	Completed development projects	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	51,710	635,142	844,032	17,295
Additions for the year	2,767	23,195	28,106	30,513
Transfers for the year	28,748	0	0	-28,748
Cost at 31 December	83,225	658,337	872,138	19,060
Impairment losses and amortisation at 1 January	2,575	12,515	8,000	0
Amortisation for the year	8,903	43,568	44,011	0
Impairment losses and amortisation at 31 December	11,478	56,083	52,011	0
Carrying amount at 31 December	**71,747**	**602,254**	**820,127**	**19,060**

Machine Translation rollout:
LanguageWire continued to improve the quality and efficiency of its machine translation engines, broadening the available language pairs and further optimizing its Post Edit Machine Translation (PEMT) offering. Several new Machine Translations services were introduced e.g., a Public MT API, an Edge Plugin for LanguageWire Translate and Dictionary support within LanguageWire Translate.

The LanguageWire Ecosystem and Platform:
In 2022, the entire LanguageWire Ecosystem was fully migrated into a managed cloud setup and major new functionalities were added such as Video Subtitling services, improved data lifecycle management and our In-Layout Editor was fully integrated into our platform.

Connectors and Public API:
LanguageWire has continued its focus on Connectors in 2022 with the development of several new versions and upgrades and improvements to many more. In addition, a new public API was released in the year and a connected Developer Portal was finalised ready for release in 2023.

Translation Management Service (TMS):
This year new tooling has been introduced to improve the efficiency of the translation service and provide a smoother and more automated process. These features will enable customers to do more work on the platform using translation management self-service tools.

Notes to the Financial Statements

10. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	1,712
Exchange adjustment	-5
Net effect from merger and acquisition	230
Additions for the year	3,541
Cost at 31 December	5,478
Impairment losses and depreciation at 1 January	88
Exchange adjustment	-24
Depreciation for the year	1,090
Impairment losses and depreciation at 31 December	1,154
Carrying amount at 31 December	**4,324**

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK
11. Investments in subsidiaries		
Cost at 1 January	973,417	0
Additions for the year	36,724	973,417
Cost at 31 December	1,010,141	973,417
Carrying amount at 31 December	**1,010,141**	**973,417**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
BidCo af 11. august 2021 ApS	Copenhagen, Denmark	100%	897,559	-421
			897,559	**-421**

The German subsidiary LanguageWire GmbH, Hamburg, made use of the exemption option in accordance with § 264 par. 3 HGB (German Commercial Code) concerning the obligation to prepare notes and a management report as well as to audit and to disclosure the annual financial statements and the management report for fiscal year 2022

12. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	2,001
Additions for the year	1,946
Cost at 31 December	3,947
Carrying amount at 31 December	**3,947**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

13. Contract work in progress

Selling price of work in progress	19,432	13,481	0	0
	19,432	**13,481**	**0**	**0**

14. Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate cap, have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Assets	7,340	137	0	0

The market value of the company's financial instrument regarding interest rate cap, where the fair value amounts to TDKK 7,340 of the loan of TDKK 232,500. The interest rate cap instrument expires 31 December 2023. The instrument secures Languagewire against short-term interest rate increases that exceed 0% on the part that is hedged.

15. Prepayments

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

16. Share capital

	Number	Nominal value
		TDKK
A1-shares	11,282,949	8,392
A2-shares	833,921	662
B1-shares	1,253,662	931
B2-shares	245,510	197
		10,182

The share capital is divided into shares, with a nominal value of EUR 0.1.

17. Provision for deferred tax

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	159,212	0	0	0
Additions thorugh business combinations	5,799	161,574	0	0
Other ajustments	-5,886	0	0	0
Amounts recognised in the income statement for the year	-15,641	-2,362	-75	0
Deferred tax liabilities at 31 December	**143,484**	**159,212**	-75	**0**

18. 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 2022	Group 2021	Parent company 2022	Parent company 2021
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	426,576	445,994	0	0
Between 1 and 5 years	76,362	0	0	0
Long-term part	502,938	445,994	0	0
Within 1 year	11,175	8,463	0	0
Short-term part	11,175	8,463	0	0
	514,113	**454,457**	**0**	**0**

19. Cash flow statement - Adjustments

	Group 2022 TDKK	Group 2021 TDKK
Financial income	-5,109	-286
Financial expenses	34,508	6,842
Depreciation, amortisation and impairment losses, including losses and gains on sales	97,499	23,179
Tax on profit/loss for the year	-15,386	769
	111,512	**30,504**

20. Cash flow statement - Change in working capital

	Group 2022 TDKK	Group 2021 TDKK
Change in receivables	2,483	-17,622
Change in trade payables, etc	-15,810	18,781
Fair value adjustments of hedging instruments	7,340	0
Change in other receivables	-12,304	4,154
	-18,291	**5,313**

21. Contingent assets, liabilities and other financial obligations

	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,998	8,441	0	0
Between 1 and 5 years	1,454	4,972	0	0
	5,452	**13,413**	**0**	**0**

Notes to the Financial Statements

Other contingent liabilities

A deed registered to the bank secured on shares in BidCo af 11. august 2021 ApS has been registered as collateral for allbalances with Nordea Bank owed by the Company and the subsidiaries. The Holding Company has provided guarantee of payments for all amounts owed to Nordea Bank by the Company and the subsidiaries.

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 TDKK 0. 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.

22. Related parties and disclosure of consolidated financial statements

Transactions

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

Ownership

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

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
BDC IV S.à.r.l.	Luxembourg

23. Fee to auditors appointed at the general meeting

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	671	203	57	35
Tax advisory services	117	48	18	3
Non-audit services	639	433	46	36
	1,427	**684**	**121**	**74**

Notes to the Financial Statements

24. Accounting policies

The Annual Report of Holdingselskabet af 6. august ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large 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 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, Holdingselskabet af 6. august ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

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

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

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. 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.

Leases

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

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

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

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.

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Segment information on revenue

Information on geographical segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Net sales

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.

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.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Income from investments in subsidiaries

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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Notes to the Financial Statements

Tax on profit/loss for the year

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

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

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management’s experience with the individual business areas.

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.

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.

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 5-7 year.

Acquired other similar rights

Customer contracts acquired through business combinations are recognised at fair value at the acqusition date. Customer contracts s amortised on a straight-line basis over its useful life, which is assessed at 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.

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.

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.

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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans, such as mortgage loans and 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.

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
Return on equity	Net profit for the year x 100 / Average equity
Equity ratio	Equity excl minority interests x 100 / Total assets
EBITDA normalized margin	Normalized EBITDA x 100 / Revenue

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On behalf of: PricewaterhouseCoopers Statsautoriseret…
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