

---

# ***Holdingselskabet af 6. august ApS***

Nitivej 10, 1., DK-2000 Frederiksberg

## **Annual Report for 6 August - 31 December 2021**

---

CVR No 42 59 48 81

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
22/3 2022

Søren Bech Justesen  
Chairman of the General  
Meeting



**pwc**

# Contents

|   | <u>Page</u> |
|---|-------------|
| <b>Management's Statement and Auditor's Report</b>          |             |
| Management's Statement                                      | 1           |
| Independent Auditor's Report                                | 2           |
| <b>Management's Review</b>                                  |             |
| Company Information   | 5           |
| Financial Highlights  | 6           |
| Management's Review   | 7           |
| <b>Consolidated and Parent Company Financial Statements</b> |             |
| Income Statement 6 August - 31 December                     | 23          |
| Balance Sheet 31 December                                   | 24          |
| Statement of Changes in Equity                              | 26          |
| Cash Flow Statement 6 August - 31 December                  | 27          |
| Notes to the Financial Statements                           | 28          |

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Holdingselskabet af 6. august ApS for the financial year 6 August - 31 December 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 22 March 2022

## Executive Board

Søren Bech Justesen  
CEO

## Board of Directors

Jens Albert Harsaae  
Chairman

Gert Sylvest

Oliver Krogh Hallin

Johan Erik Dahlfors

Martin Janson

# Independent Auditor's Report

To the Shareholders 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 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 6 August - 31 December 2021 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 6 August - 31 December 2021, 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 Financials 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.

# Independent Auditor's Report

## 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 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 Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 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 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, 22 March 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thomas Baunkjær Andersen

statsautoriseret revisor

mne35483

Daniel Nielsen

statsautoriseret revisor

mne45105

## Company Information

### The Company

Holdingselskabet af 6. august ApS  
Nitivej 10, 1.  
DK-2000 Frederiksberg

CVR No: 42 59 48 81

Financial period: 6 August - 31 December

Incorporated: 6 August 2021

Financial year: 1st financial year

Municipality of reg. office: Frederiksberg

### Board of Directors

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

### Executive Board

Søren Bech Justesen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

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

|                              | <b>Group</b> |
|------------------------------|--------------|
|                              | <b>2021</b>  |
|                              | TDKK         |
| <b>Key figures</b>           |              |
| <b>Profit/loss</b>           |              |
| Revenue                      | 101.628      |
| Gross profit/loss            | 11.481       |
| Operating profit/loss        | -43.823      |
| Net financials               | -6.556       |
| Net profit/loss for the year | -51.148      |
| EBITDA                       | (21.136)     |
| Net interest bearing debt    | 409.125      |
| <b>Balance sheet</b>         |              |
| Balance sheet total          | 1.678.382    |
| Equity                       | 961.886      |
| Number of employees          | 379          |
| <b>Cash flows</b>            |              |
| Cash flows from:             |              |
| - operating activities       | -38.614      |
| - investing activities       | -1.179.132   |
| - financing activities       | 1.263.078    |
| <b>Ratios</b>                |              |
| Gross margin                 | 11,3%        |
| Return on equity             | -10,6%       |
| Equity ratio                 | 56,9%        |

Holdingselskabet af 6. august A/S was established 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

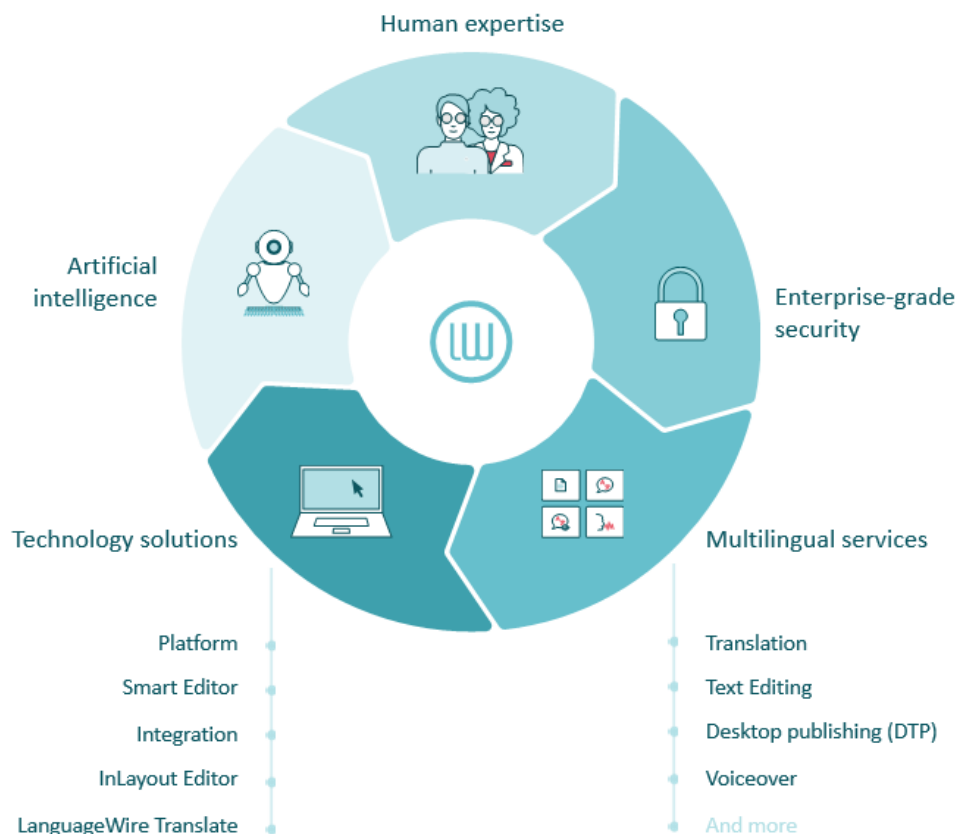
LanguageWire is a leading European Language Service and Technology Provider (LSTP), helping enterprises engage and communicate with any audience across the globe. Since its founding in 2000, LanguageWire has pursued its vision of making global communications smarter and more efficient by providing access to the people, human skills and 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 while connecting to customer-specific tech stacks, streamlining and automating workflows and ensuring all data is protected thoroughly in a secure infrastructure.

LanguageWire's solutions are delivered according to ISO 27001, ISO 17100, ISO 9001, and ISO 18587 for Post Editing Machine Translation (PEMT).

With 14 offices across three continents, over 420 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 2021 were:***

- 11% underlying growth in revenue
- Achieving a strong customer satisfaction measured through customer Net Promoter Score (cNPS) of 50 based on more than 1,400 responses from customers
- Welcoming 185 new employees
- Finishing the roll-out of a new commercial organization aligned to the ‘Customer Success’ principles – making LanguageWire even more ready and capable of engaging with customers to secure the success within global communication
- Reaching strong employee satisfaction, with an Employee Net Promoter Score (eNPS) above 50
- Continuing to invest significantly in software development and technology. An external technical assessment in 2021 concluded that LanguageWire has developed superior and proprietary technology within the language industry that caters to customers’ increasing need for translation speed, automated workflows, and high quality
- Establishing an industry-leading data security concept. The proprietary technology provides secure access management and avoids upload/download of documents. This also facilitates the usage of our bespoke machine translation (MT) engines to benefit quality and efficiency. In 2021, all four ISO certifications (9001, 17100, 27001 and 18587) were renewed together with the German Tisax certification for compliance to the German auto industry
- Welcoming the UK based private equity investor Bridgepoint as the majority owner in October 2021 of LanguageWire Group (i.e. LanguageWire Holding A/S incl. all subsidiaries)
- Continuing to streamline the legal structure by merging three Belgian entities into one, and by changing the branch offices in Spain and Switzerland to legal entities. (Please see page 11 for our Group Charter)
- Establishing a technology hub in Valencia, Spain and bringing our colleagues in Kiev, Ukraine and Gdansk, Poland closer to LanguageWire
- Defining the Company’s purpose and values, further explained in the CEO letter below.

With these great achievements in 2021, LanguageWire is well-positioned to continue its growth in 2022. Significant investments in both the commercial organization and in the technology make management comfortable in their expectation of growth in both new and existing markets.

## **Letter from the CEO**

2021 was a strong year for LanguageWire. Our business has proven resilient to macroeconomic crises, which is due to our digital business model combined with a high customer diversification. We were less impacted by the Covid-19 pandemic than might have been expected, although we still see negative effects of the pandemic in some regions. I am proud of the results we have delivered, and the change in ownership to the international private equity fund Bridgepoint is a testament to the potential and belief in the strategy of our business, which is to grow organically in the markets we are in by leveraging the strength of our people, partners and superior technology. We want to grow in all verticals by leveraging existing products and services, but also by expanding our product portfolio to meet customer needs for translation across any media. Our top priority is to continue our organic growth journey while also

## Management Review

pursuing mergers and acquisitions to accelerate our growth in core and adjacent markets, as well as in less penetrated markets. Acquisitions can also be a method to expand our current portfolio of products and services.

During the course of the year, we have been on a journey to define our purpose and values. We asked ourselves who we are and what is important to us, i.e. defining the mark we want to leave on the world. Articulating our purpose helps employees connect their contribution to something meaningful – which has proven to be the most important factor in personal motivation. The absence of specifically defined purpose and values was a very important missing piece in our strategy framework. After numerous interactions with key stakeholders, language professionals, customers, board members, founders and more than a full day involvement of 25% of our employees across 10 different offices and countries, we defined our purpose and values. Our purpose is:

### TO WIRE THE WORLD TOGETHER WITH LANGUAGE

- ...because we want to help people and businesses simplify communication;
- ...because connecting people and businesses is the strongest tool to empower understanding; and
- ...because with one voice, in many languages, you can truly communicate with everyone

*For some companies, a name is just a name, but for LanguageWire our name is our purpose and our purpose is our name.*

We want to realize our purpose by living our four defined values, which are to be curious, trustworthy, caring and ambitious.

- We are curious, open and never afraid to question the existing in order to innovate the future
- We believe that all relationships are based on honesty and responsibility
- We care about the wellbeing of the planet, our societies, our customers, and each other
- We are ambitious, bold, and visionary when it comes to solutions, growth, and living our purpose

Looking into the future, I am confident that our newly defined purpose and values, in combination with our strategy, will make us a valued partner to our customers and to society.

When we welcomed the private equity investor Bridgepoint as our new majority owners in October 2021, we also said goodbye to Catacap as majority owner and to former founder and CEO Henrik Lottrup as major shareholder and Board member. I would like to express my gratitude to them and to the other Board members who exit as a consequence of the change in ownership.

I would like to thank our more than 420 colleagues deeply for their truly extraordinary effort in 2021. Also, a special thanks to our customers, freelance translators and 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

In 2021, revenue was DKK 102 million mainly driven by the regions Nordics (DKK 51 million) and DACH (DKK 32 million). The gross profit for 2021 was DKK 11 million. EBITDA was negative DKK 21 million primarily related to primarily due to one-off items in relation to the change of ownership of LanguageWire.

In 2021, we met our revenue growth expectation with a growth of 9.2% in line with the expected range of 5–15%. EBITDA increased by 21% and thereby exceeded the expected growth of 5–15%.

## Subsequent events

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

## Outlook

In 2022, LanguageWire expects growth in revenue and EBITDA before one-off items in the range of 5–15%. The guidance is based on several important assumptions, including the assumption that business performance, customer and competitor behavior will remain normal.

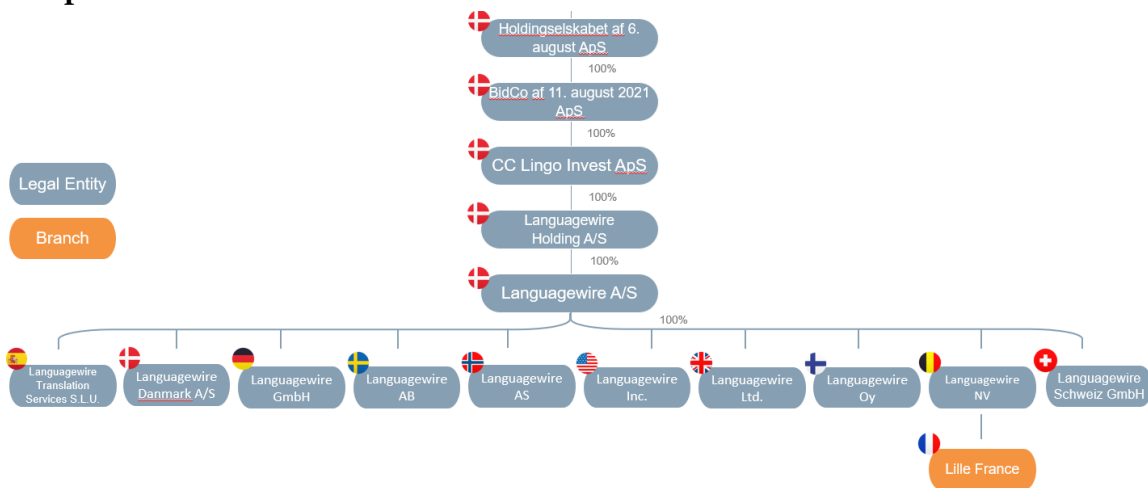
# Management Review

## Group relations

LanguageWire is 100% owned by Languagewire Holding A/S. The owners of the group are the private equity investor Bridgepoint (91.7%) and Group management (8.3%).

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

## Group structure



## Country overview

LanguageWire operates with 14 offices in 11 countries, which are the U.S., Belgium, France, U.K., Germany, Denmark, Sweden, Switzerland, Spain, Ukraine and Poland.

As of 31 December 2021, LanguageWire had 428 full time employees including Ukraine and Poland, which is a growth of 29.1% compared to the end of December 2020. Of these, 352 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 107 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 52 FTEs.

### UK

The region operates out of an office in London with 12 FTEs.

### BeNeFrance

Belgium and Dutch customers are handled by our office in Leuven, while French customers are managed out of the office in Lille. BeNeFrance employs 28 FTEs.

### U.S.

The U.S. customers are managed from an office in Atlanta, with a total of 7 FTEs.

### Spain

## Management Review

A large part of LanguageWire’s operations is managed out of Valencia with a total of 180 FTEs.

### *Ukraine and Poland*

LanguageWire’s technology development centres in Kiev and Gdansk today count 35 and 8 FTEs respectively.

### **Environmental, Social and Governance (ESGs)**

One of LanguageWire’s newly defined values is: “We are caring”. We care about the wellbeing of the planet, our societies, our customers and each other. In 2022, LanguageWire will form an ESG working group with participants from the board, group management and employees. The ambition of the group is to build a clear ESG proposition by identifying where LanguageWire can make the most significant ESG contribution, in clear connection with our values.

Despite the fact that the language industry is a sector not usually associated with negative footprints on the environment, human rights or biased gender distribution, we still believe we can make a difference in several areas. In the table below, we have started to measure some of the tangible ESG numbers to get a baseline, while some of the intangible measurements are mentioned in the text below. For more information about our business, please read “Primary activities and business model” in the beginning of the management statement.

| <b>ESG figures (explanation of ESG ratios - page 48)</b> | <b>Target</b> | <b>2021</b> | <b>2020</b> |
|--|---------------|-------------|-------------|
| <b>Environment</b>                                       |               |             |             |
| tCO2e <sup>1</sup> (tons of carbon emissions)            | TBD           | 191         | 210         |
| tCO2e per employee                                       | TBD           | 0.57        | 0.78        |
| <b>Social</b>  |               |             |             |
| Employee turnover  | <15%          | 18.3%       | 21.6%       |
| Gender diversity   | n/a           | 61/39       | 65/35       |
| Leadership diversity (share of underrepresented sex)     | >30           | 47/53       | 50/50       |
| Employee net promoter score (eNPS)                       | >50           | 62          | n/a         |
| <b>Governance</b>  |               |             |             |
| Board diversity (# of underrepresented sex)              | 2             | 0 (2)       | 2           |

<sup>1</sup> tCO2e is calculated via the GHG Emission Wizard from GreenStonePlus

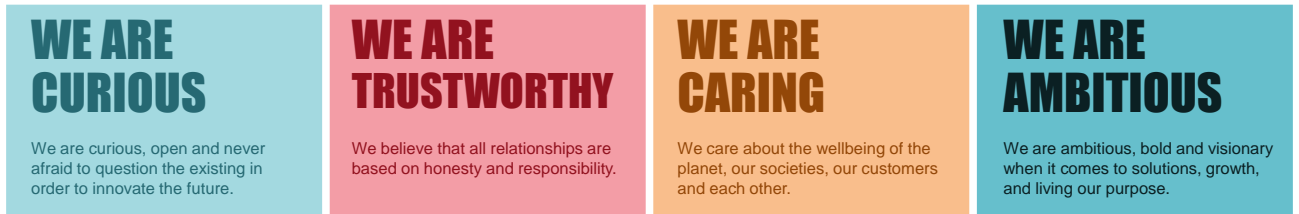
One of the first tasks of the ESG working group will be to discuss and decide the strategy for ESG. The plan is to involve employees across the organization in choosing 3–4 relevant sustainable development goals we want to explore further.

### ***Our people***

Our people are our greatest asset and therefore defining our values and purpose in 2021 was of great importance. Being able to articulate our purpose helps employees connect their contribution to something meaningful – which is proven to be the most important factor in personal motivation.

We have now defined four core values, which are visualized as follows:

## Management Review



This also means that we are curious about our employees' engagement, which is measured in biweekly surveys. Results are shared openly in a monthly meeting 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.

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 have created a more flexible schedule, removing the potential hurdle of coming into the office daily. 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 less sick days. Getting away from the office periodically has measurable benefits for innovation by creating "head space" for employees and offering new ways—or "fresh eyes"—to look at projects. The concept consists of three options from which employees, in collaboration with their manager, can choose:

- You are a lover of the office vibe and facilities, and therefore mostly in the office
- You want a bit of both worlds, working remotely some days and being in the office on other days
- You prefer to be at home and will only be in the office on occasions

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

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 in which all individuals can realize their potential. Specifically, the gender distribution within departments is tracked at different levels of the organization.

LanguageWire's gender distribution is 61/39 in favor of women, and LanguageWire's overall diversity policy is to employ and promote the best and most suitable persons, regardless of gender.

### *Top management*

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 lived up to this ambition until the change of ownership. As of 31 December, the board consists of five people of the same gender. A search for Board candidates is currently ongoing. The Board will continue to work on achieving a balanced mix of both male and female candidates in the recruiting process and aim to have at least two of members of each gender in the Board by 2022.

## Management Review

### *Other leading positions*

As of 31 December, the gender distribution in management positions is 53/47 in favor of men. LanguageWire has an ambition that the share of the underrepresented sex in leadership positions should at least be 30%, which is fulfilled. Therefore we do not have a specific politic about how to achieve it. However, the company will continue to work on achieving a balanced mix of each gender in the recruiting process for management positions.

### **Our customers**

The customers we service are leading global brands across all industries. We have a diversified sector exposure and a broad geographic distribution of customers. The total number of customers amounts to more than 3,500, whereas we have over 2,000 active customers, around half of which are invoiced on a monthly basis.

In 2021, we had an ambitious target of reaching a customer net promoter score (cNPS) of at least 51. We ultimately achieved 50 and thereby we did not quite reach the target. In 2022, we have set a new target of at least 50, as we are dedicated to maintain a high customer engagement. The score tells us how likely it is that customers will recommend LanguageWire to a friend or colleague. Any score above 0 is good, while above 20 is favorable and above 50 is excellent.

| <b>Targets for 2021</b> | <b>Status</b>    | <b>Targets for 2022</b> |
|-------------------------|------------------|-------------------------|
| Net promoter score >51  | Not accomplished | Net promoter score >50  |

### **Quality**

LanguageWire has earned its reputation as a trusted partner for many global enterprises by delivering solutions according to best practice security processes and incorporating an industry-leading, private cloud infrastructure to protect their interests. As such, LanguageWire's solutions are delivered according to ISO 9001, ISO 17100, ISO 27001 and ISO 18587 for Post Editing of Machine Translation (PEMT). Further, LanguageWire is certified by Tisax , which is a strict security standard that most of the automobile industry requires.

### **Environment**

As most services in LanguageWire do not include physical items or production processes, the global environmental footprint is low. In 2021, LanguageWire continued its efforts to minimize the environmental implications of transportation between the offices by using telephone and video conference equipment to the highest extent possible. In accordance with the efforts to minimize LanguageWire's environmental footprint, the ambition is to:



## Management Review

- Comply with environmental legislation and other requirements, such as approved codes of practice;
- Continually seek to minimize pollution, emissions, energy, water and waste, (e.g. emissions from transport etc. generated by the activities of LanguageWire);
- Actively promote recycling;
- 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 there are major changes to it.

| Targets for 2021  | Status       | Targets for 2022  |
|---|--------------|---|
| Start reporting on environmental KPIs as part of the annual report 2021 | Accomplished | ESG working group established to revisit environmental ambitions and identify relevant measures |
|   |              | Identify relevant sustainable development goals (SDGs) we want to work with                     |

As part of this Annual Report we have started reporting on our net carbon emissions, which currently is based on the consumption in our offices, data center and company cars. From 2022, all travel in LanguageWire will also be tracked as the company's travel will be managed in one platform, enabling us to measure our travel footprint. In the longer run, we have an ambition to become CO2 neutral.

### Key risks

The Company, Board and executive management are in a close dialogue about important elements in the Company and the Group, including 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   |
|---------------|---|---|
| <b>Market</b> | <ul style="list-style-type: none"> <li>- Failure to grow business</li> <li>- Price pressure</li> <li>- Market disruption from new entrants</li> </ul> | <ul style="list-style-type: none"> <li>- Close collaboration with customers</li> <li>- Increase sales force</li> <li>- Improved technology/services and products</li> </ul> |

## Management Review

|  |  |  |
|--|--|--|
| <b>Product</b>                         | - Platform availability and development            | - Business continuity plans<br>- Move part of our IT infrastructure to the cloud             |
| <b>Cyber security &amp; Technology</b> | - Cyber attacks<br>- System breakdown              | - IT security installations<br>- Cyber insurance<br>- Training of employees                  |
| <b>Sourcing</b>                        | - Failure to source vendors                        | - Continue sourcing and close dialogue with our language experts                             |
| <b>People</b>                          | - Failure to attract, develop and retain employees | - Engagement surveys<br>- Training programs<br>- Employer branding                           |
| <b>Financial</b>                       | - Credit, currency and interest risk               | - Hedges and continuous monitoring of currency and interest levels                           |
| <b>Other</b>                           | - Lockdown of society or other geopolitical risks  | - Business continuity plan<br>- Ability and flexibility to work from home with good IT setup |

### Market risks

The most important business-related risk for the Company and the Group is still the ability to consistently and continuously deliver good service and produce high-quality content at competitive prices. Partnerships are integral in accessing the 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 provide assurance for competitiveness. Moreover, the company continuously monitors and implements new technologies to maintain state-of-the art value-creating offerings for our customers.

### Product risks

The main product of the Company is to deliver language services through LanguageWire's technology platform. The biggest risk is the quality and timing in 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) and ISO 18587 (Translation services – Post-editing of machine translation output) standards. These certifications will provide the highest level of quality assurance in the industry.

### Cyber security and technology risks

As a technology company, IT is the core of all our offerings. High levels of IT security are paramount, and the company continuously ensures that policies and practices provide such, among other ways by being certified by ISO 27001 (Information security management). Furthermore, LanguageWire's platform is placed in a secure cloud-based infrastructure. LanguageWire has cyber insurance to cover data breaches and, not least of all, the costs of restoring the IT infrastructure in the event of cyber-attacks.

### Sourcing risks

We work with some of the best skilled freelance translators in the industry and their contributions are vital. It is important to nurture the community to ensure a sustainable recruitment base for future growth. However, the market for language experts is huge, and the sourcing risk is deemed low.

# Management Review

## People risks

The employees at LanguageWire constitute an important asset. Therefore, there is an inherent risk related to attracting, developing, and retaining the required talent. LanguageWire has a formalized approach to the recruitment of employees, runs biweekly engagement surveys and conducts training sessions for teams and leaders. Furthermore, a new learning management platform is being implemented to secure best practice 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 aging reports are monitored monthly, and derivations are addressed promptly.

LanguageWire is exposed to exchange rate risks in the countries where LanguageWire has its commercial activities. These are considered to be at an appropriately low level, but this issue is still something that is monitored closely. The majority of the commercial activities is 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 facility.

## Other risks

LanguageWire is exposed to risks in the countries where we have a physical presence. Therefore, the company and management are closely monitoring geopolitical risks, like for example the current situation in Ukraine, and other risks such as the Covid-19 pandemic across countries. Relevant mitigating action plans are prepared and implemented across the affected businesses.

## **Governance**

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 determines the overall company strategy 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 which is 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, provide for adequate and effective risk management and appropriate internal controls.

## Management Review

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.

### Whistle-blower function

As a part of the risk identification and risk management process, the company has decided to set up a whistle-blower function which was established in Q3 2021.

### Human rights

LanguageWire supports all human rights protected by national as well as international laws. The company is focused on achieving high job satisfaction and ensures that a healthy and safe working environment is provided in accordance with current legislation. The primary risks within human rights are whether we use language experts of minor age or similar. To mitigate this there is a selection process before you can become a partner of LanguageWire. During 2021 the company has not received any cases in relation to breach of human rights.

### Anti-bribery and business ethics

The company has a business ethics policy in place to ensure that the company and employees act according to high ethical standards. Further, 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 business ethics policy clearly forbids participation in any kind of bribery or facility payments – both directly and indirectly. A complete revision of the Business Ethics Policy has been postponed to 2022 and will be prepared in combination with a new Code of Business Conduct describing how we conduct business in LanguageWire and our requirements to our partners. The primary risks anti-bribery and business ethics would be an employee who does not follow our conduct. To mitigate this we will ensure recurring training of our employees making sure they understand the rules. During 2021 the company has not had any anti-bribery cases.

### Data ethics

Data ethics is about responsible use of data. A large amounts of data goes through the LanguageWire platform. Data and information security is a key priority in LanguageWire and it is important for us, that both our customers and employees always feel safe when entrusting us with their data.

- Security: In order 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: 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.

## Management Review

- Transparency: We are transparent about our data processing activities and being clear about how and why we use personal data.

During the course of 2022 a formal Data Ethics Policy will be completed in conjunction with the Business Ethics Policy. A significant amount of the considerations are already part of our customer dialog before starting 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>

### *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.

During 2022, we will further establish an Audit Committee that will assist the Board in overseeing the financial reporting process and the effectiveness of the internal control and risk management systems. Furthermore, the Audit Committee is responsible for assisting the Board of Directors in evaluating the effectiveness of LanguageWire's level of quality management and the maturity level of internal security management, which will report directly to the Board.

| Targets for 2021  | Status           | Targets for 2022   |
|---|------------------|--|
| Complete revision of Business Ethics Policy and complete training of 90% of employees | Not accomplished | At least two board members of each gender on the Board   |
| Implement a whistle-blower function   | Accomplished     | Complete revision of Business Ethics Policy including human rights and complete training of 90% of employees |
|   |                  | Code of Business Conduct document  |
|   |                  | Establish Audit Committee  |

# 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**



# Management's Review

## The board of directors and executive management

The board members hold the following positions:

### Chairman, Jens Albert Harsaae

#### Chairman

Languagewire Holding A/S  
Languagewire A/S  
PLUS PACK A/S  
INTERNET INTELLIGENCE  
HOUSE NORDIC A/S  
DANAWEB  
INTERNATIONAL A/S  
Optimeo A/S  
CC Globe Holding I ApS  
CC Globe Holding II A/S  
Group Online A/S  
Plico A/S  
JumpStory ApS  
Takt A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS

#### Deputy Chairman

CO-RO HOLDING A/S  
CO-RO A/S

#### Board member/CEO

ABACUS MEDICINE A/S  
RAKAAS 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 VP of network product 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



## Income Statement 6 August - 31 December

|  | Note | Group<br>2021<br>TDKK | Parent<br>2021<br>TDKK |
|--|------|-----------------------|------------------------|
| <b>Revenue</b>   | 1    | <b>101.628</b>        | <b>0</b>               |
| Cost of sales  |      | -43.028               | 0                      |
| Other external expenses  |      | -47.119               | -547                   |
| <b>Gross profit/loss</b>   |      | <b>11.481</b>         | <b>-547</b>            |
| Staff expenses   | 2    | -32.125               | 0                      |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3    | -23.179               | -1.152                 |
| <b>Operating profit/loss</b>   |      | <b>-43.823</b>        | <b>-1.699</b>          |
| Financial income   | 4    | 286                   | -63                    |
| Financial expenses   | 5    | -6.842                | 0                      |
| <b>Profit/loss before tax</b>  |      | <b>-50.379</b>        | <b>-1.762</b>          |
| Tax on profit/loss for the year  | 6    | -769                  | 0                      |
| <b>Net profit/loss for the year</b>  |      | <b>-51.148</b>        | <b>-1.762</b>          |

# Balance Sheet 31 December

## Assets

|  | Note | <u>Group</u><br>2021<br>TDKK | <u>Parent</u><br>2021<br>TDKK |
|--|------|------------------------------|-------------------------------|
| Completed development projects                   |      | 49.135                       | 0                             |
| Acquired other intangible assets                 |      | 622.627                      | 0                             |
| Goodwill   |      | 836.032                      | 0                             |
| Development projects in progress                 |      | 17.295                       | 0                             |
| <b>Intangible assets</b>                         | 7    | <b><u>1.525.089</u></b>      | <b><u>0</u></b>               |
| Other fixtures and fittings, tools and equipment |      | 1.624                        | 0                             |
| <b>Property, plant and equipment</b>             | 9    | <b><u>1.624</u></b>          | <b><u>0</u></b>               |
| Investments in subsidiaries                      | 10   | 0                            | 973.417                       |
| Deposits   | 8    | 2.001                        | 0                             |
| <b>Fixed asset investments</b>                   |      | <b><u>2.001</u></b>          | <b><u>973.417</u></b>         |
| <b>Fixed assets</b>                              |      | <b><u>1.528.714</u></b>      | <b><u>973.417</u></b>         |
| Trade receivables                                |      | 92.222                       | 0                             |
| Other receivables                                | 11   | 6.825                        | 0                             |
| Prepayments                                      | 12   | 5.289                        | 0                             |
| <b>Receivables</b>                               |      | <b><u>104.336</u></b>        | <b><u>0</u></b>               |
| <b>Cash at bank and in hand</b>                  |      | <b><u>45.332</u></b>         | <b><u>38.402</u></b>          |
| <b>Currents assets</b>                           |      | <b><u>149.668</u></b>        | <b><u>38.402</u></b>          |
| <b>Assets</b>                                    |      | <b><u>1.678.382</u></b>      | <b><u>1.011.819</u></b>       |

# Balance Sheet 31 December

## Liabilities and equity

|  |             | <b>Group</b>     | <b>Parent</b>    |
|--|-------------|------------------|------------------|
|  | <b>Note</b> | <b>2021</b>      | <b>2021</b>      |
|  |             | TDKK             | TDKK             |
| Share capital  | 13          | 10.126           | 10.126           |
| Retained earnings  |             | 951.760          | 1.001.146        |
| <b>Equity</b>  |             | <b>961.886</b>   | <b>1.011.272</b> |
| Provision for deferred tax                                     | 15          | 159.212          | 0                |
| <b>Provisions</b>  |             | <b>159.212</b>   | <b>0</b>         |
| Credit institutions  |             | 445.994          | 0                |
| <b>Long-term debt</b>  | 16          | <b>445.994</b>   | <b>0</b>         |
| Credit institutions  | 16          | 8.463            | 0                |
| Prepayments received from customers                            |             | 16.427           | 0                |
| Trade payables   |             | 30.646           | 0                |
| Corporation tax  |             | 3.131            | 0                |
| Other payables   |             | 52.623           | 547              |
| <b>Short-term debt</b>   |             | <b>111.290</b>   | <b>547</b>       |
| <b>Debt</b>  |             | <b>557.284</b>   | <b>547</b>       |
| <b>Liabilities and equity</b>                                  |             | <b>1.678.382</b> | <b>1.011.819</b> |
| Distribution of profit   | 14          |                  |                  |
| Contingent assets, liabilities and other financial obligations | 19          |                  |                  |
| Related parties  | 20          |                  |                  |
| Fee to auditors appointed at the general meeting               | 21          |                  |                  |
| Accounting Policies  | 22          |                  |                  |

## Statement of Changes in Equity

### Group

|                                     | Share capital | Share premium | Retained       | Total          |
|-------------------------------------|---------------|---------------|----------------|----------------|
|                                     | TDKK          | account       | earnings       | TDKK           |
|                                     | TDKK          | TDKK          | TDKK           | TDKK           |
| Equity at 6 August                  | 40            | 0             | 0              | 40             |
| Cash capital increase               | 10.086        | 1.002.908     | 0              | 1.012.994      |
| Net profit/loss for the year        | 0             | 0             | -51.148        | -51.148        |
| Transfer from share premium account | 0             | -1.002.908    | 1.002.908      | 0              |
| <b>Equity at 31 December</b>        | <b>10.126</b> | <b>0</b>      | <b>951.760</b> | <b>961.886</b> |

### Parent

|                                     |               |            |                  |                  |
|-------------------------------------|---------------|------------|------------------|------------------|
| Equity at 6 August                  | 40            | 0          | 0                | 40               |
| Cash capital increase               | 10.086        | 1.002.908  | 0                | 1.012.994        |
| Net profit/loss for the year        | 0             | 0          | -1.762           | -1.762           |
| Transfer from share premium account | 0             | -1.002.908 | 1.002.908        | 0                |
| <b>Equity at 31 December</b>        | <b>10.126</b> | <b>0</b>   | <b>1.001.146</b> | <b>1.011.272</b> |

## Cash Flow Statement 6 August - 31 December

|  | Note | <b>Group</b><br>2021<br>TDKK |
|--|------|------------------------------|
| Net profit/loss for the year   |      | -51.148                      |
| Reversals of non-cash items  | 17   | 7.325                        |
| Change in working capital  | 18   | 5.313                        |
| <b>Cash flows from operating activities before financial income and expenses</b> |      | <b>-38.510</b>               |
| Corporation tax paid   |      | -104                         |
| <b>Cash flows from operating activities</b>                                      |      | <b>-38.614</b>               |
| Purchase of intangible assets  |      | -6.449                       |
| Purchase of property, plant and equipment  |      | -93                          |
| Payment for acquisition of subsidiary, net of cash acquired                      |      | -1.172.590                   |
| <b>Cash flows from investing activities</b>                                      |      | <b>-1.179.132</b>            |
| Raising of loans   |      | 250.084                      |
| Cash capital increase  |      | 1.012.994                    |
| <b>Cash flows from financing activities</b>                                      |      | <b>1.263.078</b>             |
| <b>Change in cash and cash equivalents</b>                                       |      | <b>45.332</b>                |
| Cash and cash equivalents at 6 August  |      | 0                            |
| <b>Cash and cash equivalents at 31 December</b>                                  |      | <b>45.332</b>                |
| Cash and cash equivalents are specified as follows:                              |      |                              |
| Cash at bank and in hand   |      | 45.332                       |
| <b>Cash and cash equivalents at 31 December</b>                                  |      | <b>45.332</b>                |

# Notes to the Financial Statements

|  | <u>Group</u>   | <u>Parent</u> |
|--|----------------|---------------|
|  | 2021           | 2021          |
|  | TDKK           | TDKK          |
| <b>1 Revenue</b>   |                |               |
| <b>Geographical segments</b>   |                |               |
| Nordics  | 50.793         | 0             |
| DACH   | 31.997         | 0             |
| BeneFrance   | 10.473         | 0             |
| UK & US  | 8.365          | 0             |
|  | <u>101.628</u> | <u>0</u>      |
| The LanguageWire Group's only activity is translation services across geographical segments. |                |               |
| <b>2 Staff expenses</b>  |                |               |
| Wages and salaries   | 29.864         | 0             |
| Pensions   | 567            | 0             |
| Other social security expenses   | 246            | 0             |
| Other staff expenses   | 1.448          | 0             |
|  | <u>32.125</u>  | <u>0</u>      |
| Including remuneration to:   |                |               |
| Executive Board and Board of Directors   | 568            | 0             |
|  | <u>568</u>     | <u>0</u>      |
| <b>Average number of employees</b>   | <u>379</u>     | <u>0</u>      |

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

BDC IV S.à.r.l. (Bridgepoint) has invited key employees and members of the board of directors of the group companies to acquire shares in Holdingselskabet af 6. august ApS. The participants cannot freely dispose over the shares until the occurrence of an exit event. In a leaver scenario, the shares are redeemable at Bridgepoint's option.

Bridgepoint is the settling entity. Accordingly, the Danish Group has no obligation to settle at all, and the transaction is thus accounted for as an equity-settled transaction. There is no recharge arrangement for which the Danish Group has to compensate Bridgepoint.

## Notes to the Financial Statements

|   | <b>Group</b>         | <b>Parent</b>       |
|---|----------------------|---------------------|
|   | <u>2021</u>          | <u>2021</u>         |
|   | TDKK                 | TDKK                |
| <b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b> |                      |                     |
| Amortisation of intangible assets   | 23.091               | 1.152               |
| Depreciation of property, plant and equipment   | <u>88</u>            | <u>0</u>            |
|   | <b><u>23.179</u></b> | <b><u>1.152</u></b> |
| <b>4 Financial income</b>   |                      |                     |
| Other financial income  | <u>286</u>           | <u>-63</u>          |
|   | <b><u>286</u></b>    | <b><u>-63</u></b>   |
| <b>5 Financial expenses</b>   |                      |                     |
| Other financial expenses  | <u>6.842</u>         | <u>0</u>            |
|   | <b><u>6.842</u></b>  | <b><u>0</u></b>     |
| <b>6 Tax on profit/loss for the year</b>  |                      |                     |
| Current tax for the year  | 3.131                | 0                   |
| Deferred tax for the year   | <u>-2.362</u>        | <u>0</u>            |
|   | <b><u>769</u></b>    | <b><u>0</u></b>     |

# Notes to the Financial Statements

## 7 Intangible assets

| Group  | Completed<br>development<br>projects | Acquired other<br>intangible<br>assets | Goodwill       | Development<br>projects in<br>progress |
|--|--------------------------------------|--|----------------|--|
|  | TDKK                                 | TDKK                                   | TDKK           | TDKK                                   |
| Cost at 6 August                                     | 0                                    | 0                                      | 0              | 0                                      |
| Net effect from merger and acquisition               | 48.624                               | 635.142                                | 844.032        | 13.932                                 |
| Additions for the year                               | 3.086                                | 0                                      | 0              | 3.363                                  |
| Cost at 31 December                                  | 51.710                               | 635.142                                | 844.032        | 17.295                                 |
| Impairment losses and amortisation at<br>6 August    | 0                                    | 0                                      | 0              | 0                                      |
| Amortisation for the year                            | 2.575                                | 12.515                                 | 8.000          | 0                                      |
| Impairment losses and amortisation at<br>31 December | 2.575                                | 12.515                                 | 8.000          | 0                                      |
| <b>Carrying amount at 31 December</b>                | <b>49.135</b>                        | <b>622.627</b>                         | <b>836.032</b> | <b>17.295</b>                          |
| <b>Developments during the year</b>                  |                                      |  |                |  |

Machine Translation rollout: LanguageWire continued to improve the quality of the machine translation engines and the available language pairs. This resulted in higher translator productivity and faster delivery times, whilst keeping the same excellent quality in the translated materials. LanguageWire also introduced new Machine Translation services with the launch of LanguageWire Translate and the attached Outlook Plugin.

The Platform: The platform has been extended in various areas with an extraordinary focus on bringing the security of the Platform to a new level. Single Sign On has been introduced with the support of Just In-Time Provisioning, thereby providing an easy and secure access to the Platform and our services. New features for the Smart Editor include Spell Check, SEO Jobs and Multi-segment operations to improve the efficiency when working with the tooling.

Translation Management System (TMS): This year new and improved tooling has been introduced. Support for External Word Count Analysis increased automation and project handling efficiency. The introduction of Internal Fuzzy Matching for translation memories reduced the translation cost. Finally, the first prototype of our new Term Base Editor was finished. This product will help us to manage terminology more easily, with a positive impact on translation quality and translator productivity.



## Notes to the Financial Statements

### 8 Other fixed asset investments

|  | <b>Group</b>        |
|--|---------------------|
|  | <u>Deposits</u>     |
|  | TDKK                |
| Cost at 6 August                       | 0                   |
| Net effect from merger and acquisition | 2.001               |
| Cost at 31 December                    | <u>2.001</u>        |
| <b>Carrying amount at 31 December</b>  | <b><u>2.001</u></b> |

### 9 Property, plant and equipment

| <b>Group</b>                                      |   |
|---|---|
|   | <u>Other fixtures<br/>and fittings,<br/>tools and<br/>equipment</u> |
|   | TDKK  |
| Cost at 6 August                                  | 0   |
| Net effect from merger and acquisition            | 1.619   |
| Additions for the year                            | 93  |
| Cost at 31 December                               | <u>1.712</u>  |
| Impairment losses and depreciation at 6 August    | 0   |
| Depreciation for the year                         | 88  |
| Impairment losses and depreciation at 31 December | <u>88</u>   |
| <b>Carrying amount at 31 December</b>             | <b><u>1.624</u></b>   |

# Notes to the Financial Statements

|                                       | <b>Parent</b>         |
|---------------------------------------|-----------------------|
|                                       | <u>2021</u>           |
|                                       | TDKK                  |
| <b>10 Investments in subsidiaries</b> |                       |
| Cost at 6 August                      | 0                     |
| Additions for the year                | <u>973.417</u>        |
| Cost at 31 December                   | <u>973.417</u>        |
| Value adjustments at 6 August         | <u>0</u>              |
| Value adjustments at 31 December      | <u>0</u>              |
| <b>Carrying amount at 31 December</b> | <b><u>973.417</u></b> |

Investments in subsidiaries are specified as follows:

| Name                         | Place of registered office | Votes and ownership | Equity  | Net profit/loss for the year |
|------------------------------|----------------------------|---------------------|---------|------------------------------|
| BidCo af 11. august 2021 ApS | Copenhagen, Denmark        | 100%                | 856.149 | -39.335                      |

## 11 Other receivables

Other receivables include the market value of the company's financial instrument regarding interest rate cap, where the fair value amounts to TDKK 137 of the loan of TDKK 46,500. 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.

## 12 Prepayments

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

# Notes to the Financial Statements

## 13 Equity

The share capital is broken down as follow:

|           | <u>Number</u> |
|-----------|---------------|
| A1-shares | 11.282.949    |
| A2-shares | 833.921       |
| B1-shares | 1.253.662     |
| B2-shares | 245.510       |

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

## 14 Distribution of profit

|                   | <u>Group</u>          | <u>Parent</u>        |
|-------------------|-----------------------|----------------------|
|                   | 2021                  | 2021                 |
|                   | TDKK                  | TDKK                 |
| Retained earnings | -51.148               | -1.762               |
|                   | <u><b>-51.148</b></u> | <u><b>-1.762</b></u> |

## 15 Provision for deferred tax

|   |                       |                 |
|---|-----------------------|-----------------|
| Provision for deferred tax at 6 August                  | 0                     | 0               |
| Amounts recognised in the income statement for the year | -2.362                | 0               |
| Amounts recognised due to business combination          | 161.574               | 0               |
| <b>Provision for deferred tax at 31 December</b>        | <u><b>159.212</b></u> | <u><b>0</b></u> |

# Notes to the Financial Statements

## 16 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:

|                            | <u>Group</u>   | <u>Parent</u> |
|----------------------------|----------------|---------------|
|                            | 2021           | 2021          |
|                            | TDKK           | TDKK          |
| <b>Credit institutions</b> |                |               |
| After 5 years              | 445.994        | 0             |
| Long-term part             | 445.994        | 0             |
| Within 1 year              | 8.463          | 0             |
|                            | <b>454.457</b> | <b>0</b>      |

## 17 Cash flow statement - adjustments

|                                 | <u>Group</u> |
|---------------------------------|--------------|
|                                 | 2021         |
|                                 | TDKK         |
| Financial income                | -286         |
| Financial expenses              | 6.842        |
| Tax on profit/loss for the year | 769          |
|                                 | <b>7.325</b> |

## 18 Cash flow statement - change in working capital

|                               |              |
|-------------------------------|--------------|
| Change in receivables         | -9.099       |
| Change in other receivables   | 4.154        |
| Change in trade payables, etc | 10.258       |
|                               | <b>5.313</b> |

# Notes to the Financial Statements

| <u>Group</u> | <u>Parent</u> |
|--------------|---------------|
| 2021         | 2021          |
| TDKK         | TDKK          |

## 19 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

|                       |                      |                 |
|-----------------------|----------------------|-----------------|
| Within 1 year         | 8.441                | 0               |
| Between 1 and 5 years | <u>4.972</u>         | <u>0</u>        |
|                       | <u><b>13.413</b></u> | <u><b>0</b></u> |

### 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 all balances 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 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 group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 20 Related parties

### 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:

BDC IV S.à.r.l. - Luxembourg

| <b>Group</b> | <b>Parent</b> |
|--------------|---------------|
| <b>2021</b>  | <b>2021</b>   |
| TDKK         | TDKK          |

## 21 Fee to auditors appointed at the general meeting

### PricewaterhouseCoopers

|                       |            |           |
|-----------------------|------------|-----------|
| Audit fee             | 203        | 35        |
| Tax advisory services | 48         | 3         |
| Other services        | 433        | 36        |
|                       | <b>684</b> | <b>74</b> |

# Notes to the Financial Statements

## 22 Accounting Policies

The Annual Report of Holdingselskabet af 6. august ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements for 2021 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

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

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

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.

### 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.



# Notes to the Financial Statements

## 22 Accounting Policies (continued)

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.

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.

### 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.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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 sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for 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.

#### Financial income and expenses

Financial income and expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### 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 and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible 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 years.

The estimated financial life is based on the activity's unique commercial position and the employee's commercial and technical skills that are expected to be in use for at least 20 years.

Intangible assets consist of development projects, software and acquired customer relations.

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover distribution and administrative expenses involved as well as the development costs.

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 years.

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.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### 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 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 unlisted investments measured at the lower of cost and net realisable value.

### 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.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Prepayments

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

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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

## 22 Accounting Policies (continued)

### **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**

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.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

|                  |  |
|------------------|--|
| Gross margin     | $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$                        |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$      |
| Equity ratio     | $\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$ |

#### Explanation of ESG ratios

|                                  |   |
|----------------------------------|---|
| tCO <sub>2</sub> e per employee: | tCO <sub>2</sub> e / Average FTEs   |
| Employee turnover:               | FTEs leaving (excl. FTEs with a fixed end date) / Average FTE   |
| Gender diversity:                | Male/female split of FTEs at year end   |
| Leadership diversity:            | Male/female split of leaders FTEs at year end   |
| TCO <sub>2</sub> e               | Calculated via the GHG Emission Wizard from GreenStonePlus  |
| eNPS:                            | Based on score from web-based survey in engagement system on 13 January, 2022 with participation of all employees |