



Cepheo Holding A/S

Paulas Passage 1
1799 København V
CVR No. 43115847

Annual report 2023

The Annual General Meeting adopted the annual report on 05.07.2024

Jørgen Jakobsen
Chairman of the General Meeting

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Entity details

Entity

Cepheo Holding A/S

Paulas Passage 1

1799 København V

Business Registration No.: 43115847

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Mogens Munkholm Elsberg, Chairman

Agner Nørgaard Mark

Allan Bach Pedersen

Executive Board

René Ebbesen

Jørgen Jakobsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Cepheo Holding A/S for the financial year 01.01.2023 - 31.12.2023.

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

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

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

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

Copenhagen, 05.07.2024

Executive Board

René Ebbesen

Jørgen Jakobsen

Board of Directors

Mogens Munkholm Elsberg
Chairman

Agner Nørgaard Mark

Allan Bach Pedersen

Independent auditor's report

To the shareholders of Cepheo Holding A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 05.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Brian Schmit Jensen

State Authorised Public Accountant
Identification No (MNE) mne40050

Management commentary

Primary activities

The Company's primary activity is to own investments in subsidiaries.

Development in activities and finances

In the financial year 2023, the Company realized a loss for the year of DKK 16,849k compared to a loss of DKK 64k last year. The result is as expected.

Last year was the Company's first financial year. The Company was founded on 07.03.2022 and therefore the financial year 2022 covers the period 07.03.2022 - 31.12.2022. Due to the shorter financial year last year and that the investment in subsidiaries was acquired in 2023, the comparison figures are not comparable to the financial year 2023.

This year is the first FY year with activities for the subsidiaries. The subsidiaries started 1 April 2023 with a carve-out of the activities from a large global company. This financial year have operational activities in only 9 month from 1 April to 31 December 2023. With effect from 1 August 2023 Cepheo Group bought Axdata Denmark and Axdata Norway, thus 5 month activities are included in this financial year.

This FY is effected by the company start, and there has been significant investments in systems and processes within all areas of the group. This also include system and process integrations related to the acquisition of Axdata Denmark and Axdata Norway. There have also been significant investments in developing method and project management including training and improvement of skills for our employees, who are our most valuable asset.

In the preparation of the annual report, the management of the Company was management has ascertained that the Company's equity amounts to less than half of the Company's contributed capital. The Company is therefore covered by section 119 of the Companies Act relating to capital loss. At the annual general meeting, the management will explain the plan for restoration of the equity. This will primarily come from future earnings.

Uncertainty relating to recognition and measurement

As part of the preparation of the financial statements, Management makes a number of significant accounting estimates, judgements and assumptions as a basis for recognizing and measuring the Company's assets as well as judgements made in applying the Company's accounting policies. The estimates, judgements and assumptions made are based on historical experience and other relevant factors. The actual results may deviate from such estimates.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements: Impairment of receivables from group enterprises.

The accounting policies are described in detail in accounting policies to the financial statements to which we refer.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		(57,500)	(24,003)
Income from investments in group enterprises		(16,734,956)	(38,174)
Other financial income	1	374,865	0
Other financial expenses	2	(431,433)	(1,933)
Profit/loss for the year		(16,849,024)	(64,110)
Proposed distribution of profit and loss			
Retained earnings		(16,849,024)	(64,110)
Proposed distribution of profit and loss		(16,849,024)	(64,110)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		0	490,000
Financial assets	3	0	490,000
Fixed assets		0	490,000
Receivables from group enterprises		29,712,527	0
Receivables		29,712,527	0
Cash		541,088	510,852
Current assets		30,253,615	510,852
Assets		30,253,615	1,000,852

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	4	1,055,838	1,055,838
Retained earnings		(15,830,752)	(64,110)
Equity		(14,774,914)	991,728
Trade payables		57,498	9,124
Payables to group enterprises		44,971,031	0
Current liabilities other than provisions		45,028,529	9,124
Liabilities other than provisions		45,028,529	9,124
Equity and liabilities		30,253,615	1,000,852
Employees	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,055,838	(64,110)	991,728
Exchange rate adjustments	0	294,190	294,190
Other entries on equity	0	788,192	788,192
Profit/loss for the year	0	(16,849,024)	(16,849,024)
Equity end of year	1,055,838	(15,830,752)	(14,774,914)

Notes

1 Other financial income

	2023 DKK	2022 DKK
Financial income from group enterprises	374,851	0
Exchange rate adjustments	14	0
	374,865	0

2 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	421,033	0
Other financial expenses	10,400	1,933
	431,433	1,933

3 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	528,174
Disposals	(29,250)
Cost end of year	498,924
Impairment losses beginning of year	(38,174)
Exchange rate adjustments	294,190
Share of profit/loss for the year	(16,734,956)
Investments with negative equity value depreciated over receivables	15,192,324
Other adjustments	785,459
Reversal regarding disposals	2,233
Impairment losses end of year	(498,924)
Carrying amount end of year	0

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Cepheo A/S	Denmark	A/S	92.67

4 Share capital

The share capital comprises 105,583,756 shares, with a value of DKK 0.01 per share. The total share capital is DKK 1,055,837.56.

5 Employees

The Entity has no employees other than the Executive Board. The Executive Board has not received any remuneration.

6 Contingent liabilities

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

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
P-Cepheo A/S, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
P-Cepheo A/S, Copenhagen

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

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

Non-comparability

Last year was the Company's first financial year. The Company was founded on 07.03.2022 and therefore the financial year 2022 covers the period 07.03.2022 - 31.12.2022. Due to the shorter financial year last year and that the investment in subsidiaries was acquired in 2023, the comparison figures are not comparable to the financial year 2023.

Recognition and measurement

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

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

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

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

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

Other financial expenses

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

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

The accounting policies applied to material financial statement items of group enterprises are:

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Receivables

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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