



Cepheo A/S

Paulas Passage 1
1799 København V
CVR No. 43117246

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 A/S

Paulas Passage 1

1799 København V

Business Registration No.: 43117246

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Mogens Munkholm Elsberg, Chairman

Allan Bach Pedersen

Agner Nørgaard Mark

Executive Board

René Ebbesen

Jørgen Jakobsen

Kristian Nørhave

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 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

Kristian Nørhave

Board of Directors

Mogens Munkholm Elsberg
Chairman

Allan Bach Pedersen

Agner Nørgaard Mark

Independent auditor's report

To the shareholders of Cepheo A/S

Opinion

We have audited the financial statements of Cepheo 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 17,916k compared to a loss of DKK 38k last year.

Last year was the Company's first financial year. The Company was founded on 11.03.2022 and therefore the financial year 2022 covers the period 11.03.2022 - 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 investments in group enterprises, intangible assets and 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		(25,137,236)	(36,000)
Staff costs	1	(93,488)	0
Operating profit/loss		(25,230,724)	(36,000)
Income from investments in group enterprises		9,092,243	0
Other financial income	2	235,885	0
Other financial expenses	3	(2,430,737)	(2,000)
Profit/loss before tax		(18,333,333)	(38,000)
Tax on profit/loss for the year	4	417,483	0
Profit/loss for the year		(17,915,850)	(38,000)
Proposed distribution of profit and loss			
Retained earnings		(17,915,850)	(38,000)
Proposed distribution of profit and loss		(17,915,850)	(38,000)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		1,657,500	0
Intangible assets	5	1,657,500	0
Investments in group enterprises		10,575,255	0
Deposits		2,567,274	0
Financial assets	6	13,142,529	0
Fixed assets		14,800,029	0
Receivables from group enterprises		25,427,363	0
Other receivables		267,331	0
Joint taxation contribution receivable		417,483	0
Prepayments		1,322,549	0
Receivables		27,434,726	0
Cash		1,991,839	499,000
Current assets		29,426,565	499,000
Assets		44,226,594	499,000

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	7, 8	508,000	500,000
Reserve for net revaluation according to the equity method		10,116,615	0
Retained earnings		(27,019,093)	(10,000)
Equity		(16,394,478)	490,000
Trade payables		6,753,192	0
Payables to group enterprises		51,301,878	0
Other payables		2,566,002	9,000
Current liabilities other than provisions		60,621,072	9,000
Liabilities other than provisions		60,621,072	9,000
Equity and liabilities		44,226,594	499,000
Contingent liabilities	9		
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Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	0	(10,000)	490,000
Increase of capital	8,000	0	0	8,000
Purchase of treasury shares	0	0	(1,000)	(1,000)
Exchange rate adjustments	0	317,469	0	317,469
Other entries on equity	0	706,903	0	706,903
Profit/loss for the year	0	9,092,243	(27,008,093)	(17,915,850)
Equity end of year	508,000	10,116,615	(27,019,093)	(16,394,478)

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	93,488	0
	93,488	0
Average number of full-time employees	0	0

Special incentive programmes

The Company has established an incentive scheme comprising both the Board of Directors, the Executive Management and other employees and the incentive scheme is made to motivate and retain the participants.

The incentive scheme contains 1,400,000 warrants.

The incentive scheme allow participants to subscribe for a number of warrants, each entitling the holder to buy shares with a nominal value of DKK 0.01 in the Company at a price agreed in advance.

A total of 875,000 warrants have been issued as of 31st December 2023.

Wages and salaries

Wages and salaries comprise salary to the Board of Directors.

2 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	167,566	0
Other financial income	68,319	0
	235,885	0

3 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	1,625,118	0
Other interest expenses	1,826	0
Exchange rate adjustments	689,630	0
Other financial expenses	114,163	2,000
	2,430,737	2,000

4 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Refund in joint taxation arrangement	(417,483)	0
	(417,483)	0

5 Intangible assets

	Acquired intangible assets DKK
Additions	1,657,500
Cost end of year	1,657,500
Carrying amount end of year	1,657,500

6 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Additions through business combinations etc.	0	2,567,274
Additions	458,640	0
Cost end of year	458,640	2,567,274
Exchange rate adjustments	317,469	0
Share of profit/loss for the year	9,092,243	0
Other adjustments	706,903	0
Revaluations end of year	10,116,615	0
Carrying amount end of year	10,575,255	2,567,274

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Cepheo Danmark A/S	Denmark	A/S	100.00
Cepheo Sverige AB	Sweden	AB	100.00
Cepheo Norge AS	Norway	AS	100.00
Cepheo Polska Sp. Z.o.o.	Poland	Sp. Z.o.o.	100.00

7 Share capital

The share capital comprises 50,800,000 shares, with a value of DKK 0.01 per share. The total share capital is DKK 508,000.

8 Treasury shares

	Number	Nominal value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Shares	100,000	1,000	0.00	1,000
Investments acquired	100,000	1,000	0.00	
Shares	100,000	1,000	0.00	
Holding of treasury shares	100,000	1,000	0.00	

As part of the incentive scheme mentioned in note 1, the Company has purchased and holds own shares from employees leaving the incentive scheme.

9 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.

10 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 11.03.2022 and therefore the financial year 2022 covers the period 11.03.2022 - 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 revenue and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when the services to related companies are delivered. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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.

Staff costs

Staff costs comprise salaries and wages, for entity staff.

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, net capital or exchange losses on payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement. The amortisation period used is 5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

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, adjusted for normal inventory writedowns.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity in retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Other financial liabilities

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