
Embankment Group A/S

Amagertorv 11,4, DK-1160 København K

Annual Report for
11 July 2022 - 31 December 2023

CVR No. 43 38 62 12

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2024

Martin Grønvald Raun
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Embankment Group A/S for the financial year 11 July 2022 - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2022/23.

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.

København K, 28 June 2024

Executive Board

David Svante Hansen
CEO

Board of Directors

Martin Grønvald Raun
Chairman

Mads Peter Pilkjær Harmsen

David Svante Hansen

Independent Auditor's report

To the shareholder of Embankment Group A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 11 July 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Embankment Group A/S for the financial year 11 July 2022 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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

Hellerup, 28 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

Company information

The Company	Embankment Group A/S Amagertorv 11,4 1160 København K CVR No: 43 38 62 12 Financial period: 11 July 2022 - 31 December 2023 Incorporated: 11 July 2022 Financial year: 1st financial year Municipality of reg. office: 1160 København K
Board of Directors	Martin Grønvald Raun, chairman Mads Peter Pilkjær Harmsen David Svante Hansen
Executive Board	David Svante Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

The Company's purpose is to own capital shares in subsidiaries and related activities.

Development in the year

The income statement of the Company for 2022/23 shows a loss of DKK 5,299,275, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 925,725.

Capital resources

As of 31 December 2023 the Company had a positive equity of DKK 925,725. The Company had available liquidity of DKK 5,076,244. The Company's Management is working on a long-term strategy to strengthen of the capital resources to support and drive the growth plan for the following years, which is expected to be in place in 2024.

For additional information reference is made to note no. 1. regarding capital resources and liquidity.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities of the Company for the financial year for 2022/23 have not been affected by any unusual events.

Subsequent events

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

Income statement 11 July 2022 - 31 December 2023

	Note	2022/23 DKK 18 months
Gross profit/loss		-1,675,525
Staff expenses	2	-1,975,143
Amortisation and impairment losses of intangible assets		-52,250
Profit/loss before financial income and expenses		-3,702,918
Income from investments in subsidiaries	3	-1,367,043
Financial expenses	4	-229,314
Profit/loss before tax		-5,299,275
Tax on profit/loss for the year		0
Net profit/loss for the year		-5,299,275
 Distribution of profit		
		2022/23 DKK
Proposed distribution of profit		
Retained earnings		-5,299,275
		-5,299,275

Balance sheet 31 December 2023

Assets

	Note	2022/23
		DKK
Acquired trademarks		337,750
Intangible assets	5	<u>337,750</u>
Investments in subsidiaries	6	950,342
Deposits		229,626
Fixed asset investments		<u>1,179,968</u>
Fixed assets		<u>1,517,718</u>
Trade receivables		3,750
Other receivables		125,329
Prepayments		223,397
Receivables		<u>352,476</u>
Cash at bank and in hand		<u>5,076,244</u>
Current assets		<u>5,428,720</u>
Assets		<u>6,946,438</u>

Balance sheet 31 December 2023

Liabilities and equity

	Note	2022/23
		DKK
Share capital		567,872
Share premium account		0
Retained earnings		357,853
Equity		925,725
Convertible and profit-yielding instruments of debt		5,223,065
Long-term debt	7	5,223,065
Trade payables		274,475
Payables to group enterprises		254,062
Other payables		269,111
Short-term debt		797,648
Debt		6,020,713
Liabilities and equity		6,946,438
Going concern	1	
Contingent assets, liabilities and other financial obligations	8	
Accounting Policies	9	

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Cash payment concerning formation of entity	400,000	200,000	0	600,000
Cash capital increase	167,872	5,457,128	0	5,625,000
Net profit/loss for the year	0	0	-5,299,275	-5,299,275
Transfer from share premium account	0	-5,657,128	5,657,128	0
Equity at 31 December	567,872	0	357,853	925,725

Notes to the Financial Statements

1. Going concern

The income statement of the Company for 2023 shows a loss of DKK 5,299,275 and at 31 December 2023 the balance sheet shows a positive equity of DKK 925,725. At 31 December 2023 the total available cash amounts to DKK 5,076,244.

The Company has prepared a forecast showing the run-rate for the coming 12 months that shows sufficient liquidity. Further, Management notes the cost base can be adjusted on different parameters in order to strengthen the capital resources.

The prepared forecast is showing that Embankment as a Group, including Embankment Group A/S, Embankment Fund Services A/S and Embankment Depository Services A/S, is expected to be break-even in Q4 2024.

Management in the Company is also working on a long-term strengthen of the capital resources to support and drive the growth plan for the following years. Management is in dialogue with interested parties about external financing. The financing is expected to be in place in 2024.

In its nature, the forecasts prepared are subject to uncertainty and variations in operations or the business plan may result in additional liquidity being required. In management's assessment such additional financing can be obtained if the business plan and growth strategy is otherwise followed.

Therefore, the financial statements are prepared under the assumption of going concern.

2. Staff Expenses

	2022/23 DKK 18 months
Wages and salaries	1,655,156
Pensions	108,746
Other social security expenses	6,248
Other staff expenses	204,993
	<u>1,975,143</u>
Average number of employees	<u>8</u>

3. Income from investments in subsidiaries

	2022/23 DKK 18 months
Share of losses	-1,367,043
	<u>-1,367,043</u>

Notes to the Financial Statements

	<u>2022/23</u>
	DKK
	18 months
4. Financial expenses	
Other financial expenses	227,521
Exchange adjustments, expenses	<u>1,793</u>
	<u>229,314</u>
5. Intangible fixed assets	
	Acquired
	trademarks
	DKK
Cost at 11 July	0
Additions for the year	<u>390,000</u>
Cost at 31 December	<u>390,000</u>
Impairment losses and amortisation at 11 July	0
Amortisation for the year	<u>52,250</u>
Impairment losses and amortisation at 31 December	<u>52,250</u>
Carrying amount at 31 December	<u>337,750</u>
Amortised over	<u>3-10 years</u>

Notes to the Financial Statements

	2022/23
	DKK
6. Investments in subsidiaries	
Cost at 11 July	0
Additions for the year	2,317,385
Cost at 31 December	<u>2,317,385</u>
Net profit/loss for the year	-1,367,043
Value adjustments at 31 December	<u>-1,367,043</u>
Carrying amount at 31 December	<u>950,342</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Embankment Depository Services A/S	København	1,000,000	100%
Embankment Fund Services A/S	København	400,000	100%

	2022/23
	DKK
7. 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:

Convertible and profit-yielding instruments of debt

After 5 years	0
Between 1 and 5 years	5,223,065
Long-term part	<u>5,223,065</u>
Within 1 year	0
	<u>5,223,065</u>

Notes to the Financial Statements

2022/23

DKK

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental obligation, non-cancelation period

321,313

Other contingent liabilities

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 is disclosed in the Annual Report of Embankment Foundercorp ApS, which is the management company of the joint taxation purposes. 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

9. Accounting policies

The Annual Report of Embankment Group A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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.

Income statement

Revenue

Revenue is recognised when the risks relating to the service have been transferred, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

Other operating income and expenses

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

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software licences are amortised over the period of the agreements, which is 10 years.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Notes to the Financial Statements

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

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

Financial liabilities

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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