
AX VI INV5 Holding III ApS

C/O DANX A/S, Vejleåvej 9, DK-2635

Annual Report for 2024

CVR No. 42 52 01 95

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/7 2025

Klaus Rud Sejling
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 AX VI INV5 Holding III ApS for the financial year 1 January - 31 December 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

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.

Ishøj, 4 July 2025

Executive Board

Klaus Rud Sejling

Board of Directors

Lars Cordt
Chairman

Christian Gymos Schmidt-Jacobsen

Independent Auditor's report

To the shareholder of AX VI INV5 Holding III 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 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AX VI INV5 Holding III ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 4 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Baunkjær Andersen
State Authorised Public Accountant
mne35483

Oliver Svane
State Authorised Public Accountant
mne49837

Company information

The Company	AX VI INV5 Holding III ApS C/O DANX A/S Vejleåvej 9 DK-2635 CVR No: 42 52 01 95 Financial period: 1 January - 31 December Incorporated: 1 July 2021 Financial year: 3rd financial year Municipality of reg. office: Ishøj
Board of Directors	Lars Cordt, chairman Christian Gymos Schmidt-Jacobsen
Executive Board	Klaus Rud Sejling
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
AX VI INV5 Holding III ApS	Denmark	
AX VI INV5 ManCo ApS	Denmark	23,38%*
AX VI INV5 Holding II ApS	Denmark	82,21%
AX VI INV5 Holding I ApS	Denmark	100%
AX VI INV5 Holding ApS	Denmark	100%
DANX Group A/S	Denmark	100%
DANX A/S	Denmark	100%
Danxils Sp. z o.o	Poland	50%*
TLS A/S	Denmark	100%
TLS Budbärrar'n AB	Sweden	100%
DANX AB	Sweden	100%
UT Transport i Norr AB	Sweden	100%
Forslund & Malmström AB	Sweden	100%
DANX AS	Norway	100%
Tromsø Budbil Sentral AS	Norway	100%
DANX OY	Finland	100%
Danx Baltics OÜ	Estonia	100%
Carousel Logistics Holdings Limited	England	100%
Carousel Logistics GmbH	Germany	100%
Carousel Logistics SL	Spain	100%
Carousel Logistics Limited	England	100%
Logik Group Limited	England	100%
Logik Logistics International Limited	England	100%
Carousel Logistics Ireland Limited	Ireland	100%
BDA Nightexpress Limited	England	100%
Carousel Logistics B.V.	Netherlands	100%
Nightexpress Luftverkehrsgesellschaft M.G.H	Germany	100%
DCG DE GmbH	Germany	100%
LPR Holding GmbH	Germany	100%
S4B Service for Business GmbH	Germany	100%
LPR Experts GmbH	Germany	100%
LPR Service GmbH	Austria	100%
LPR Supply GmbH	Germany	100%
LPR Energy GmbH	Germany	100%

* AX VI INV5 Holding III ApS has control over the entity through shareholder agreements.

**Danxils Sp. z o.o is considered a joint venture and is consolidated pro rata in the Annual report.

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2024	2023	2021/22
	TDKK	TDKK	TDKK 18 months
Key figures			
Profit/loss			
Revenue	2,144,723	1,863,188	1,464,432
Gross profit	560,456	501,000	337,238
Profit/loss of primary operations	1,839	26,399	8,513
Profit/loss of financial income and expenses	-44,465	-55,141	-42,967
Net profit/loss for the year	-48,269	-43,799	-41,073
Balance sheet			
Balance sheet total	2,272,239	2,018,748	2,081,389
Investment in property, plant and equipment	30,964	37,426	9,253
Equity	819,330	861,370	901,830
Cash flows			
Cash flows from:			
- operating activities	91,957	67,928	22,464
- investing activities	-207,223	-55,943	-1,364,984
- financing activities	167,605	-69,624	1,435,405
Change in cash and cash equivalents for the year	52,339	-57,639	92,885
Number of employees	1,040	814	654
Ratios			
Gross margin	26.1%	26.9%	23.0%
Profit margin	0.1%	1.4%	0.6%
Return on assets	0.1%	1.3%	0.4%
Solvency ratio	36.1%	42.7%	43.3%
Return on equity	-5.7%	-5.0%	-9.1%

AX VI INV5 Holding III ApS was established at 1 July 2021, the consolidated figures for the financial year 2021/2022 includes only the period 28 February 2022 - 31 December 2022. Group establishment occurs as a consequence of the Company's purchase of 100% of the shares in DANX Holding I ApS and Carousel Logistics Holdings Limited respectively.

For definitions of ratios, see under accounting policies.

Management's review

Key activities

AX VI INV5 Holding III ApS is the parent company of the DANX and Carousel Groups, collectively referred to as DANX Carousel or the Group. DANX Carousel provides pan-European logistics solutions, focusing on time critical service logistics.

DANX Carousel is the partner for all types of warehousing, time-critical, final mile and spare parts (including batteries and dangerous goods) distribution solutions and with our established, warehouses and distribution networks, our mission is to create solutions for our customers through innovative and efficient logistics solutions. Built upon tailored distribution flows and great commitment and dedication, the Group delivers exceptional aftermarket, logistics solutions, both in-night and by-day, to a wide range of international and local organizations with a best in class on-time final mile delivery throughout our regions, often less than 12 hours from collection from the European distribution hubs to the delivery point.

Further information on the activities of the group can be found on the group's website www.danxcarousel.com where the annual report will be made available.

Corporate Governance

The capital structure of the group at top holding company level (AX VI Inv Holding III ApS) is such that the majority owner is the Axcel VI Private Equity fund (72%), managed by Nordic private equity group Axcel. Other investors include Swedish State Pension Fund Sjätte AP-fonden (18%) and Cubera Private Equity (9%). The group reporting is covered by DVCA guidelines wherever reasonably practicable.

The Axcel VI Private Equity fund is represented by Axcel Partners Christian Schmidt-Jacobsen and Lars Cordt.

In 2024 total remuneration of the board and management was TDKK 5,353.

Other management positions held by board members are shown in the table below:

Lars Cordt (Chairman)	Partner, Axcel Vice Chairman, NTI Vice Chairman, Nissens A/S Board Member, XPARTNERS Board Member, Phase One Board Member, GUBI
Christian Schmidt-Jacobsen	Chairman and Executive Officer, Axcel Management Holding ApS Board Member, Axcelfuture Vice Chairman, Edda Group ApS Chairman, AX VI Edda Group Holding ApS Chairman, Axcel GP Fonden Board Member, Axcel Management AB Executive Officer, Axcel V GP Aps Executive Officer, Axcel VI GP Aps Executive Officer, Axcel VII GP ApS Board Member, emagine Holding III Aps Board Member, AX VI INV6 Holding II Aps Executive Officer, Spero Invest ApS Chairman and Executive Officer, AX VI INV8 Holding III Aps Board Member, AX VI INV5 Holding III Aps Board Member, AX IV Holdco P/S Executive Officer, AX VII INV1 Holding III ApS Board Member, AX VII INV1 Holding II ApS

Board meetings are held five times per year with reports in each meeting from the CEO and CFO together with decisions on strategic initiatives, M&A activity and technology developments. An investment committee is in place and meets to discuss M&A targets before, during and after acquisitions.

Management's review

Individual members of the board are nominated by Axcel and agreed by the board as a whole.

The company can be bound by one board member in conjunction with one director, by two board members jointly or by the entire board of directors.

Primary stakeholders of the group include:

Investors

Represented by the Axcel partners on the Board of Directors.

Employees

The Chief HR Officer has accountability for the employees of the group, and represents their interests at Executive level, considering local legislation and operating cultures, group values and the evolving needs of the business.

Customers & Suppliers

The Chief Commercial Officer holds the accountability for customer contracts across the group with local operational delivery led by the Chief Operating Officer ensuring customers' needs are met and that the service provision of the group is of the highest possible quality. The Chief Operating Officer also leads Supplier relationship management through a team of local leaders and ensures efficient operation of the services offered across the group.

Regulators and Authorities in Countries of Operation

Regulatory Compliance is led by the Chief Financial Officer and the DANX Carousel team work closely with regulators and authorities as needed. Audits are performed regularly across the business to ensure ongoing compliance and risk reporting is taken to the full board at least annually for awareness and discussion.

Development in the year

The focus in 2024 was on delivering excellent service to our customers – and utilizing our European presence to accelerate organic growth and execute acquisitions that further enhance our value proposition. Significant investments were also made into our technology platform.

The income statement of the Group for 2024 shows revenue of TDKK 2,144,723 (2023: TDKK 1,863,188) and an EBITDA of TDKK 156,217 (2023: TDKK 169,262). The balance sheet of the Group shows equity of TDKK 803,955 (2023: 841,964).

TLS A/S (“TLS”) was acquired in June 2024, broadening the customer base in both Denmark and Sweden and introducing a service logistics offering to the group. In July 2024, Logik Group Limited (“Logik”) joined the Group, a UK based ad-hoc logistics company further expanding the group's product and service portfolio. The final acquisition of 2024 took place in late December with the addition of LPR Group, providing a sizeable foothold in Germany.

Employee Matters

Employee numbers across the group grew by 66% in 2024 (2023: 17%), through both addition of acquired employees (599) and to support organic growth in the business.

Employee Numbers	31 Dec 2023	31 Dec 2024
Denmark	116	145
Rest of World	789	1,357
Total	905	1,502

Voluntary attrition rates across all employees was 16% during the year.

Management's review

The past year and follow-up on development expectations from last year

The target for 2024, as stated in the previous year accounts, was an increase in revenue of 8 – 10%, and an EBITDA margin of 8 - 10%. The actual revenue reported increase was 14% with an adjusted EBITDA margin of 10%. This includes the impact of the mid-year acquisitions of TLS and Logik as well as adjusting for exceptional items relating to acquisition and integration costs. These factors make up the difference to the reported EBITDA margin of 7%.

The business operated by BDA UK was hived up into Carousel Logistics Limited for the purposes of making the group's activities as operationally and administratively efficient as possible.

Special risks - operating risks and financial risks

The Group continually reviews strategic and operational risks within its compliance framework.

Operational risks are those expected within a logistics operation such as fuel price exposure. For such risks there are mechanisms in place to mitigate the business impact.

Financial risks are limited to currency and interest rate fluctuations. Sales and purchases across the group are mainly affected in the following currencies: DKK, EUR, SEK, NOK, PLN & GBP. Within these currencies there is a high degree of natural hedging which means no further hedging instruments have previously been required. Operating currencies, in particular SEK and NOK were more stable in 2024 than the previous year with variance in rates vs EUR of 1% and 2% respectively (2023: 8% and 7%).

Management continually assesses the position as to currency requirements and therefore the need for forward exchange contracts. The ownership structure (see above) drives the balance of debt / equity funding for the group and, as a result of the debt funding, the group is exposed to interest rate volatility. Forward contracts have been entered into to protect against future interest rate increases on the bank lending in place. Management is of the opinion that the group continues to be adequately hedged.

Targets and expectations for the year ahead

The group expects to continue to grow organically and to expand product, service and market offerings through M&A in 2025. In doing so the group expects further synergies in support functions.

The target for 2025 (at constant FX rates) is organic revenue growth of 8-10% and an EBITDA margin of 7-9%. The slight decrease in margin target compared to 2024 is driven by the impact of the LPR acquisition, which is expected to have a negative impact on the group margin.

Research and development

Our investment focus is on two key areas; firstly, the effective development of our IT systems landscape to improve customer experience and optimization of our network. Secondly to look at environmental solutions to develop ways to reduce CO2 or enhance efficiency of client solutions to reduce the overall carbon footprint.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

Business Model

The Group is a leading and highly respected provider of time-critical service logistics operating across Europe. We are a corporation consisting of multiple companies with similar activities within service logistics. We utilize our own exclusive network in the region for our core critical service logistics business, including distribution, warehousing and customs services. Flexibility is key to our business model – we prioritize the adaptability of our system, and we integrate our customers' systems into ours and not vice versa. Quality on time delivery is at the heart of DANX Carousel.

Our vision is:

To become the market reference in end-to-end time critical logistics in our chosen markets, and be recognized as leaders in sustainability and social impact. By definition this will mean meeting our customers' needs for innovative and time-critical distribution services.

Management's review

Risk analysis

We have assessed the impact that the Group's activities might have on the environment, social and employee conditions, human rights and anti-corruption and the risks that might be derived therefrom.

The risks identified are described throughout this statement, along with information on how we handle them.

Our work within sustainability is divided into 3 areas under 1 program of work:

1. Environmental Impact

The group is committed to minimizing the impact of its business activities on the environment through an aggressive decarbonisation schedule. The targets can be viewed on the website. These goals are to be achieved through several different opportunities; network optimization, fuel substitutions and product replacement that reduce and/or eliminate (Green House Gas) GHG emissions.

The Group is measuring and reporting its GHG emissions for the purpose of reducing them in line with the 2015 UNFCCC Paris Accords and Europe's Corporate Sustainability Reporting Directive (CSRD). In 2024, the Group undertook a CSRD Double Materiality Assessment (DMA), by identifying the material ESG topics related to the Group's Scope 1, 2 and 3 emissions. 24 Material Impacts, Risks and Opportunities were identified through the assessment process across environmental, social and, to a lesser extent, governance topics. The subsequent gap analysis demonstrated full or partial compliance with 54% of the required data points and work has commenced on closing the remaining items.

Third-party suppliers providing outsourced transportation and logistics services are held to environmental protection measures in the Supplier Code of Conduct, as well as appropriate governance principles, and new entrants to the supplier pool are being screened with growing rigour for their ability to provide emission reducing services through alternative fuel uptake agreements and equipment/motor pool adaptations.

The Group recognises its air freight logistics as the biggest challenge faced when reducing its GHG emissions and aim to combat this with the use of Sustainable Aviation Fuel (SAF) and other methods of transport. It is acknowledged that there are many interdependencies here on supply and demand of SAF which will affect the speed at which we can phase out traditional aviation fuels and the group is supporting the development of electric aeroplanes as an alternative. The Group is currently complying with EU-mandates to include 2% SAF in their flight services and hopes to expand that percentage with corresponding commercial agreements with customers in 2026.

2. Social

At the centre of all we do is our people. We are committed to caring for our employees, partners and local communities through strategic initiatives whilst adhering to the UN Universal Declaration of Human Rights and the internationally recognized labour rights. We focus our work on 4 strategic pillars:

Pillar 1 - Health, Wellbeing and Safety

The health, wellbeing and safety of our employees and partners always takes priority and we continuously work on improving all three parameters with a variety of initiatives.

We conduct yearly engagement surveys which allow us to see how we are doing, follow the impact of our initiatives and to know where we need to take action to improve further. During the coming years, we will focus on initiatives that lead to reducing stress-related absence through prevention and enhancing our capabilities within stress management. We will also continue working locally on action plans to prevent accidents.

We believe that the variety of initiatives are pivotal for our work with Health, Wellbeing and Safety.

Management's review

Pillar 2 - Learning and Quality Education

Learning and quality education is key to staying ahead of the curve – both as an individual and as a company.

Learning is a core company value, and it is our goal to ensure equal access to learning and development opportunities for all our employees regardless of function or role. We invest in both internal and external training as well as supporting learning in the local community through our DANX Carousel Foundation (see pillar 3).

Pillar 3 - Community Engagement

We want to make a positive difference in our local communities through engagement and inclusion. To make an actual impact, we have established the DANX Carousel foundation. The purpose of the DANX Carousel Foundation is to promote the positive social impact of DANX Carousel both in our business and the near communities. DANX Carousel Foundation supports various forms of learning and education for our own employees as well as talents connected through near family, partners, or the broader industry of logistics. We also support and care for local charities through the Foundation and enable our employees to engage directly with charitable causes through donating two workdays per year.

The most significant risk associated with social and personnel matters is lack of engagement by employees and the potential for loss of good members of staff or damage by disengaged members of the team. The annual survey process provides guidance to managers on the status of each team benchmarked against industry standards, as well as an holistic view of engagement for the full group. In 2024, the survey returned a significantly improved engagement score for the DANX Carousel Group, showing above average engagement for the Logistics industry.

Pillar 4 - Diversity and inclusion

Diversity and inclusion are more than just an ethical responsibility. It is part of being a caring company and simply delivers better business results. Our focus on diversity and inclusion is based on our strong belief that a diverse workforce and equal opportunities are fundamental to being an attractive workplace.

Diversity is about much more than gender equality – that is where the focus was during 2024. The group has reached its goal to improve gender equality and at the end of the year reported 23% of leadership roles and 21% of all employees are held by women.

We have signed up for the UN's target gender equality accelerator program and during 2024 set our group goals for the period to 2027.

The Board of Directors consists of 3 members plus a chairman. One member of the board is female. The board members are appointed by the shareholders at the general meeting. With reference to the Danish Business Authority's guidance, equal gender representation has been obtained with the current gender distribution. The target gender diversity target for the board is to maintain compliance with Section 139c of the Danish Companies Act.

3. Safeguarding responsible business conduct and governance

The Group has zero-tolerance against any form of corrupt, fraudulent behaviour or human rights violations.

Based on Governance requirements and sustainability commitments The Group, continually checks and audits the controls and quality of its Governance, Health & Safety, procedures and standards throughout the businesses stakeholders, functions and systems ensuring that the commitments, spirit and requirements of its mandatory, regulatory and legal obligations are upheld.

The Board of Directors is further committed to the regular and continual review and assessment of The Group's governance and material risks to ensure that they have visibility across all areas of the business; and where and when required; apply strategic treatment of these risks to ensure the Group remains compliant and conducts itself with integrity throughout its businesses.

Management's review

To this end, The Group has enacted a Group-wide Code of Conduct for its Employees and Suppliers, outlining its standing on conduct and ethical expectations, this is supported with open communication, training and continual review. Throughout this program of work The Group is committed to lead the service logistics industry in Europe in the (E) decarbonization of transportation & logistics activities through (S) engagement with and inclusion of our personnel and communities to enhance our local environments, both ecologically and socially, while setting a high standard of (G) accountability, integrity and transparency of sustainable business activities, to the benefit of our global stakeholders.

Combined with the above sections The Group is also committed to the below points:

- We seek to align our processes with the minimum requirements in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).
- In practice, we conduct annual due diligence to identify how our organization may cause, contribute to, or be linked to potential and actual adverse impacts on the UN Global Compact ten principles and the UN Sustainable Development Goals including the human rights stated in the International Bill of Human Rights and the core labour rights from the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- We take action to prevent or mitigate actual or potential adverse impacts identified and track implementation. In instances where an adverse impact has occurred, we seek to provide for access to remedy (for example apologies, restitution, rehabilitation, financial or non-financial compensation, etc.).
- As we develop and mature our efforts, we will set ambitious targets and communicate transparently about progress and challenges in our annual sustainability reporting.
- The responsibility for oversight over sustainability matters rests with the Board of Directors while the management of sustainability matters ultimately rests with the Group CEO. The CEO is responsible for allocating adequate resources to comply with the Sustainability Policy.

Human rights

The main risks associated with Human Rights guidelines are litigation and loss of reputation resulting from non-compliance. The Group is committed to meeting our responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights including the freedom of expression and we recognise our responsibility to respect all internationally recognised human rights across our own activities and business relationships.

The purpose of this policy is two-fold: to communicate – internally and externally – the Group's commitment to respect human rights, in line with the expectation of UN Guiding Principles on Business and Human Rights, and to provide guidance to our employees on appropriate behaviour when it comes to labour and human rights issues. The Group is committed to open and unbiased dialogue with all our stakeholders on human rights issues.

This policy applies globally to the management, employees and contract workers of all entities in the Group.

Management's review

Our expectations towards our suppliers and contractors regarding the respect of human rights are addressed in our Supplier Code of Conduct which can be found on our websites.

The policy for the Group is split into the following respective areas:

- Non Discrimination - with respect to distinguishing characteristics such as race, colour, gender, religion, political or other opinion, national or social origin, sexual orientation, age or disability.
- Forced Labour – there is no toleration of any form of forced labour, including bonded labour, indentured labour and slave labour, or human trafficking. Workers must be allowed to move around freely and leave their place of work when their working hours end.
- Child Protection - there is no toleration of the hiring of child labour under any circumstances. All legal restrictions regarding the employment of persons below the age of 18 must be observed.
- Freedom of association and collective bargaining - the Group respects employees' rights to form or join a labour union or other organisation of their choice, and to bargain collectively in support of their mutual interests, allowing freedom of expression without fear of punitive actions such as intimidation, harassment or termination of employment.
- Harassment – All employees should be treated with dignity, respect, and given equal opportunities.
- Working hours, Benefits and Wages - the Group will adhere to the applicable local laws or industry standards relating to working hours, benefits and wages; as well as the promotion and consideration of a healthy work/life balance and personal advancement.
- Health & Safety - The policy relates to the Group has responsibilities for the health and safety and the rights of its workforce whilst at work and others who could be affected by its work activities. This means complying with its legal obligations, applicable occupational health & safety regulations and legislation, to provide a work environment that is safe and conducive to good health, in order to preserve the health of employees, safeguard third parties and prevent accidents, injuries and work-related illnesses. This includes regular workplace risk assessments, implementation of adequate hazard controls and precautionary measures, along with adequate and appropriate employee education and training in health and safety issues.
- Data ethics and Protection, Security and Disclosure of Information - the Group shall adhere to relevant data protection and security laws as well as to respective regulations, in particular regarding personal data of customers, consumers, employees and shareholders. The Group shall comply with all said requirements when personal data is collected, processed, transmitted, or used in accordance with their Data Protection, Securing and Disclosure of Information Policies.

Anti Bribery

Incorporated within the Group Anti-Corruption policy is the Anti Bribery policy. It states that it is prohibited, directly or indirectly, for any employee or person working on our behalf to offer, give, request or accept any bribe i.e. gift, loan, payment, reward or advantage, either in cash or any other form of inducement, to or from any person or Company in order to gain commercial, contractual or regulatory advantage for the Company, or in order to gain any personal advantage for an individual or anyone connected with the individual in a way that is unethical.

Bribery is a criminal offence. The Group prohibits any form of bribery. We require compliance, from everyone connected with our business, with the highest ethical standards and anti-bribery laws applicable. Integrity and transparency are of utmost importance to us and we have a zero-tolerance attitude towards corrupt activities of any kind, whether committed by employees or by third parties acting for or on behalf of the Group.

The Groups implements its policies on anti-corruption and anti-bribery via training, shared access to documentation and line-manager implementation.

Management's review

The Group considers its policies and procedures in relation to environment and climate, social and personnel conditions, respect for human rights, and the fight against corruption and bribery, to be thorough and rigorous. In 2024 there were no cases (2023: none) in respect of human rights, corruption or bribery. In 2025 the Group plans to continue its work in the areas of Human Rights and anti-corruption and anti-bribery, ensuring that both new and existing staff are familiar with the policies and processes in place. Regarding environment and climate, the Group intends to look at environmental solutions to develop ways to reduce CO2 or enhance efficiency of client solutions to reduce the overall carbon footprint, led by the group Sustainability Director.

The primary activities related to the delivery of social responsibly targets are performed with the DANX and Carousel Groups, the details of these activities are explained in greater detail in the local statutory accounts.

The most significant risk associated with Anti-Bribery matters is perceived to be from customers and vendors who may be tempted to offer key personnel some form of bribe in exchange for better pricing or similar. This is managed via delivery of an online awareness training session and an independent whistleblowing service.

Statement on data ethics, cf. section 99d of the Financial Statements Act

The Group handles data in relation to staff, suppliers, and customers. This includes operational, financial, and personal information. In this connection, the Group works continuously with the treatment of data ethics issues. The Group has heavily invested in IT infrastructure and security to ensure that data is secure and handled in an appropriate manner.

We believe that maintaining the highest standard of data integrity and transparency is essential for securing the trust of our staff, suppliers and customer, and the public, and in turn it brings security for and adds value to the Group. We respect the data subject's rights and are obliged to process personal information responsibly and in accordance with applicable law.

During 2025, an external assessment of the Group's processes around the General Data Protection Regulation (GDPR) is being undertaken to ensure ongoing compliance across the business.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024 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 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,144,723	1,863,188	0	0
Other operating income		954	267	0	0
Direct expenses		-1,415,035	-1,261,169	0	0
Other external expenses		-170,186	-101,286	-70	-66
Gross profit		560,456	501,000	-70	-66
Staff expenses	2	-404,239	-331,738	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-154,378	-142,863	0	0
Profit/loss before financial income and expenses		1,839	26,399	-70	-66
Income from investments in subsidiaries		0	0	0	331
Financial income	4	1,316	1,188	224	187
Financial expenses	5	-45,781	-56,329	0	0
Profit/loss before tax		-42,626	-28,742	154	452
Tax on profit/loss for the year	6	-5,643	-15,057	-34	-27
Net profit/loss for the year	7	-48,269	-43,799	120	425

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Software		29,148	19,689	0	0
Customer rights acquired		745,179	709,055	0	0
Goodwill		901,281	841,397	0	0
Intangible assets	8	1,675,608	1,570,141	0	0
Other fixtures and fittings, tools and equipment		94,327	71,999	0	0
Property, plant and equipment	9	94,327	71,999	0	0
Investments in subsidiaries	10	0	0	783,673	783,673
Deposits	11	2,887	2,620	0	0
Fixed asset investments		2,887	2,620	783,673	783,673
Fixed assets		1,772,822	1,644,760	783,673	783,673
Finished goods and goods for resale		11,046	0	0	0
Inventories		11,046	0	0	0
Trade receivables		330,273	284,564	0	0
Receivables from group enterprises		0	0	0	692
Other receivables	12	39,920	36,211	1,810	1,365
Deferred tax asset	14	74	403	0	0
Corporation tax		2,169	5,708	0	0
Prepayments	13	28,350	11,856	0	0
Receivables		400,786	338,742	1,810	2,057
Cash at bank and in hand		87,585	35,246	7,774	7,149
Current assets		499,417	373,988	9,584	9,206
Assets		2,272,239	2,018,748	793,257	792,879

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital		790	790	790	790
Reserve for hedging transactions		3,553	13,269	0	0
Reserve for exchange rate conversion		-19,696	-22,901	0	0
Retained earnings		688,137	725,665	790,668	790,548
Equity attributable to shareholders of the Parent Company		672,784	716,823	791,458	791,338
Minority interests		146,546	144,547	0	0
Equity		819,330	861,370	791,458	791,338
Provision for deferred tax	14	162,154	157,116	0	0
Other provisions	15	15,982	11,934	0	0
Provisions		178,136	169,050	0	0
Credit institutions		746,312	608,375	0	0
Lease obligations		33,969	30,188	0	0
Long-term debt	16	780,281	638,563	0	0
Credit institutions	16	93,620	48,591	0	0
Lease obligations	16	12,514	10,082	0	0
Trade payables		209,989	153,283	0	0
Payables to group enterprises		0	0	1,642	1,438
Corporation tax		40,562	35,055	13	27
Other payables		137,807	102,754	144	76
Short-term debt		494,492	349,765	1,799	1,541
Debt		1,274,773	988,328	1,799	1,541
Liabilities and equity		2,272,239	2,018,748	793,257	792,879
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Fee to auditors appointed at the general meeting	21				
Subsequent events	22				
Accounting Policies	23				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	790	13,269	-22,901	725,665	716,823	144,547	861,370
Exchange adjustments	0	0	3,205	0	3,205	694	3,899
Fair value adjustment of hedging instruments, end of year	0	-12,457	0	0	-12,457	-2,696	-15,153
Tax on adjustment of hedging instruments for the year	0	2,741	0	0	2,741	593	3,334
Other equity movements	0	0	0	2,933	2,933	11,216	14,149
Net profit/loss for the year	0	0	0	-40,461	-40,461	-7,808	-48,269
Equity at 31 December	790	3,553	-19,696	688,137	672,784	146,546	819,330

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	790	790,548	791,338
Net profit/loss for the year	0	120	120
Equity at 31 December	790	790,668	791,458

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		-48,269	-43,799
Adjustments	17	202,759	212,329
Change in working capital	18	-10,776	-16,968
Cash flow from operations before financial items		143,714	151,562
Financial income		1,316	1,188
Financial expenses		-45,781	-56,329
Cash flows from ordinary activities		99,249	96,421
Corporation tax paid		-7,292	-28,493
Cash flows from operating activities		91,957	67,928
Purchase of intangible assets		-21,197	-8,978
Purchase of property, plant and equipment		-14,816	-11,957
Fixed asset investments made etc		-778	35
Sale of property, plant and equipment		1,540	0
Sale of fixed asset investments made etc		710	0
Business acquisition		-172,682	-35,043
Cash flows from investing activities		-207,223	-55,943
Repayment of loans from credit institutions		-19,580	-78,387
Reduction of lease obligations		-11,096	-6,421
Raising of loans from credit institutions		202,546	0
Other equity entries		-4,265	15,184
Cash flows from financing activities		167,605	-69,624
Change in cash and cash equivalents		52,339	-57,639
Cash and cash equivalents at 1 January		35,246	92,885
Cash and cash equivalents at 31 December		87,585	35,246
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		87,585	35,246
Cash and cash equivalents at 31 December		87,585	35,246

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Nordic area	1,317,210	1,103,432	0	0
Rest of Europe	827,513	759,756	0	0
	2,144,723	1,863,188	0	0

The Group is not considered to have different business segments.

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Staff expenses				
Wages and salaries	373,119	300,108	0	0
Pensions	12,996	9,444	0	0
Other social security expenses	18,124	22,186	0	0
	404,239	331,738	0	0
Including remuneration to the Executive Board and Board of Directors	5,353	3,559	0	0
Average number of employees	1,040	814	0	0

With reference to section 98 B(3) of the Danish Financial Statements Act, the remuneration to the Executive Board and the Board of Directors is disclosed as a whole, as a separate presentation will entail information on remuneration for a single member.

The Group has invited key employees and members of the board of directors of the group companies to acquire shares in AX VI INV5 Holding II ApS and AX VI INV5 ManCo 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 Axcel' option. Axcel is furthermore the settling entity and the transaction is thus accounted for as an equity-settled programme.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	127,789	125,571	0	0
Depreciation of property, plant and equipment	26,589	17,292	0	0
	154,378	142,863	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Financial income				
Other financial income	910	459	220	187
Exchange adjustments	406	729	4	0
	1,316	1,188	224	187

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Financial expenses				
Other financial expenses	44,964	54,351	0	0
Exchange loss	817	1,978	0	0
	45,781	56,329	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
6. Income tax expense				
Current tax for the year	24,669	27,474	34	27
Deferred tax for the year	-19,164	-15,189	0	0
Adjustment of tax concerning previous years	138	3,229	0	0
Adjustment of deferred tax concerning previous years	0	-457	0	0
	5,643	15,057	34	27

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
7. Profit allocation				
Minority interests' share of net profit/loss of subsidiaries	-7,808	-7,350	0	0
Retained earnings	-40,461	-36,449	120	425
	-48,269	-43,799	120	425

Notes to the Financial Statements

8. Intangible fixed assets

Group

	Software	Customer rights acquired	Goodwill
	TDKK	TDKK	TDKK
Cost at 1 January	32,837	830,734	923,980
Exchange adjustment	1,436	12,538	14,821
Net effect from merger and acquisition	0	88,258	94,852
Additions for the year	14,697	11,100	0
Cost at 31 December	48,970	942,630	1,033,653
Impairment losses and amortisation at 1 January	13,148	121,679	82,583
Exchange adjustment	385	2,354	1,708
Amortisation for the year	6,289	73,418	48,081
Impairment losses and amortisation at 31 December	19,822	197,451	132,372
Carrying amount at 31 December	29,148	745,179	901,281
Amortised over	2-8 years	12 years	20 years

Goodwill is amortised on a straight-line basis over its useful life, which is deemed at 20 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Customer rights is amortised on a straight-line basis over its useful life, which is deemed at 12 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

For the Group's business combination carried out on 30 December 2024, the final purchase price allocation has not yet been finalised. On 31 December 2024, the positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill and can be subject to changes in 2025.

Notes to the Financial Statements

9. Property, plant and equipment Group

	Other fixtures and fittings, tools and equipment
	<u>TDKK</u>
Cost at 1 January	97,910
Exchange adjustment	95
Net effect from merger and acquisition	18,087
Additions for the year	30,964
Disposals for the year	<u>-4,963</u>
Cost at 31 December	<u>142,093</u>
Impairment losses and depreciation at 1 January	25,911
Exchange adjustment	-357
Depreciation for the year	26,589
Reversal of impairment and depreciation of sold assets	<u>-4,377</u>
Impairment losses and depreciation at 31 December	<u>47,766</u>
Carrying amount at 31 December	<u>94,327</u>
Amortised over	<u>2-8 years</u>
Including assets under finance leases amounting to	<u>45,026</u>

Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
Cost at 1 January	783,673	783,867
Additions for the year	0	475
Disposals for the year	0	-669
Cost at 31 December	783,673	783,673
Carrying amount at 31 December	783,673	783,673

10. Investments in subsidiaries

Cost at 1 January	783,673	783,867
Additions for the year	0	475
Disposals for the year	0	-669
Cost at 31 December	783,673	783,673
Carrying amount at 31 December	783,673	783,673

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
AX VI INV5 Holding II ApS	Ishøj	944	82,21%	961,476	961,476
AX VI INV5 ManCo ApS	Ishøj	102	23,38%	9,263	-20
				970,739	961,456

AX VI INV5 Holding III ApS has control over AX VI INV5 ManCo ApS through shareholder agreements.

11. Other fixed asset investments

Group

	Deposits
	TDKK
Cost at 1 January	2,620
Exchange adjustment	1
Net effect from merger and acquisition	198
Additions for the year	778
Disposals for the year	-710
Cost at 31 December	2,887
Carrying amount at 31 December	2,887

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK

12. Derivative financial instruments

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

Assets	3,419	14,726	0	0
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13. Prepayments

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

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK

14. Provision for deferred tax

Deferred tax liabilities at 1 January	156,713	170,577	0	0
Net effect from merger and acquisition	20,917	4,706	0	0
Exchange rate adjustments	6,947	-3,381	0	0
Amounts recognised in the income statement for the year	-19,164	-15,189	0	0
Amounts recognised in equity for the year	-3,333	0	0	0
Deferred tax liabilities at 31 December	162,080	156,713	0	0

Recognised in the balance sheet as follows:

Assets	74	403	0	0
Provisions	-162,154	-157,116	0	0
	162,080	156,713	0	0

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

15. Other provisions

Other provisions consist of an expected earn-out payment from business acquisitions.

Earn-out	15,982	11,934	0	0
	15,982	11,934	0	0

The provisions are expected to mature as follows:

Between 1 and 5 years	15,982	11,934	0	0
After 5 years	0	0	0	0
	15,982	11,934	0	0

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

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:

Credit institutions

After 5 years	0	501,781	0	0
Between 1 and 5 years	746,312	106,594	0	0
Long-term part	746,312	608,375	0	0
Within 1 year	69,665	36,766	0	0
Other short-term debt to credit institutions	23,955	11,825	0	0
	839,932	656,966	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
16. Long-term debt				
Lease obligations				
After 5 years	2,740	0	0	0
Between 1 and 5 years	31,229	30,188	0	0
Long-term part	33,969	30,188	0	0
Within 1 year	12,514	10,082	0	0
	46,483	40,270	0	0

	Group	
	2024	2023
	TDKK	TDKK
17. Cash flow statement - Adjustments		
Financial income	-1,316	-1,188
Financial expenses	45,781	56,329
Depreciation, amortisation and impairment losses, including losses and gains on sales	154,378	142,863
Tax on profit/loss for the year	5,643	15,057
Other adjustments	-1,727	-732
	202,759	212,329

	Group	
	2024	2023
	TDKK	TDKK
18. Cash flow statement - Change in working capital		
Change in inventories	0	9,072
Change in receivables	-15,314	-16,090
Change in trade payables, etc	4,538	-9,950
	-10,776	-16,968

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	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	73,695	36,369	0	0
Between 1 and 5 years	103,802	77,894	0	0
After 5 years	58,648	14,191	0	0
	236,145	128,454	0	0

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 by the Group amounts to DKK 9,065,446. 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 Group's liability.

The Company's equity interests in subsidiaries have been provided as security for bank loans in a subsidiary.

The Company's shares have been provided as security for bank loans in other group enterprises. Group enterprises have provided surety in respect of bank loans of other group enterprises.

20. Related parties

Basis

Related parties

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:

Axcel VI K/S, 21.3%
 Axcel VI K/S 2, 47.59%
 Cubera IX LP, 18.35%
 Sjätte AP-fonden, 9.49%

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
21. Fee to auditors appointed at the general meeting				
Audit fee	1,576	1,137	23	21
Tax advisory services	578	553	5	5
Non-audit services	1,091	455	40	40
	3,245	2,145	68	66

22. Subsequent events

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

Notes to the Financial Statements

23. Accounting policies

The Annual Report of AX VI INV5 Holding III ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TDKK.

With reference to the fair and true picture, certain reclassifications have been made in the income statement and notes for the Group. Comparative figures have been adjusted accordingly.

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, AX VI INV5 Holding III ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

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

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Notes to the Financial Statements

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

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

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

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

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Notes to the Financial Statements

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system.

Incentive schemes

The value of share-based payment, offered to Executive management and employees, do not involve an outflow of cash and cash equivalents and is not recognised in the income statement. The most significant conditions of the share-based payment program are disclosed in the notes.

Notes to the Financial Statements

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.

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

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

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

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, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

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

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

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

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Customer rights acquired

Customer rights acquired is measured at cost less accumulated amortisation. Customer rights are amortised on a straight-line basis over its useful life, which is assessed at 12 years. The estimated useful life is based on the company's unique market- and commercial position and the strength in the operation and thus the expected earnings profile.

Software

Software acquired is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 2-8 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	2-8 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the Financial Statements

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

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 etc.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions consist of expected earn-out payments on acquired companies.

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

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

Notes to the Financial Statements

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$