
Languagewire A/S

Nitivej 10, 1., DK-2000 Frederiksberg

Annual Report for 2024

CVR No. 25 56 78 46

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2025

Jens Albert Harsaae
Chair 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 Languagewire A/S 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 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.

Frederiksberg, 30 June 2025

Executive Board

Søren Bech Justesen
CEO

Board of Directors

Jens Albert Harsaae
Chair

Gert Sylvest

Oliver Krogh Hallin

Johan Erik Dahlfors

Martin Janson

Sofia Malena Toll

Zuzanna Marta Zygadlo-Stenberg

Independent Auditor's report

To the shareholder of Languagewire A/S

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 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 Languagewire A/S 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 ("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.
- 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.

Independent Auditor's report

Hellerup, 30 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Baunkjær Andersen

State Authorised Public Accountant

mne35483

Jacob Dannefer

State Authorised Public Accountant

mne47886

Company information

The Company	Languagewire A/S Nitivej 10, 1. DK-2000 Frederiksberg CVR No: 25 56 78 46 Financial period: 1 January - 31 December Incorporated: 3 August 2000 Financial year: 24th financial year Municipality of reg. office: Frederiksberg
Board of Directors	Jens Albert Harsaae, chair Gert Sylvest Oliver Krogh Hallin Johan Erik Dahlfors Martin Janson Sofia Malena Toll Zuzanna Marta Zygadlo-Stenberg
Executive Board	Søren Bech Justesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Revenue	66,658	68,739	64,144	63,552	58,153
Gross profit	35,830	36,992	34,463	37,620	29,361
Profit/loss of primary operations	-5,752	-2,012	-2,097	1,121	5,971
Profit/loss of financial income and expenses	-3,514	-3,050	-2,008	-2,114	-2,281
Net profit/loss for the year	-8,054	-4,920	-2,538	4,229	-1,616
EBITDA	6,329	9,159	8,128	13,069	7,966
Normalized EBITDA	8,913	11,438	9,617	12,278	10,131
Net interest bearing debt	39,145	39,267	34,209	24,653	28,193
Balance sheet					
Balance sheet total	125,266	131,779	122,492	69,500	67,807
Equity	63,304	68,369	62,439	22,988	18,910
Number of employees	422	401	405	335	268
Ratios					
Gross margin	53.8%	53.8%	53.7%	59.2%	50.5%
Return on equity	-12.2%	-7.5%	-5.9%	20.2%	-8.2%
Equity ratio	50.7%	51.9%	51.0%	33.0%	27.3%
EBITDA normalized margin	13.4%	16.6%	15.0%	19.3%	17.4%

The 5 years financial highlights have changed due to the change in reporting currency from Danish Kroner (DKK) to Euro (EUR). The change has been applied retrospectively, all comparative figures for prior periods have been restated to EUR. The exchange rates used for the conversion is:

Balance Sheet as of 31 December from DKK to EUR: 2023 - 7.45, 2022 - 7.44, 2021 - 7.44.

Income Statement, average exchange rate for the period 1 January to 31 December from DKK to EUR: 2023 - 7.45, 2022 - 7.44, 2021 - 7.44.

The exchange rates variances related to the conversion is presented under the equity.

Management's review

Primary activities and business model

Making global communication smarter, faster, cheaper, and more efficient for large-scale enterprises



2024 was a transformative year for LanguageWire, marked by significant progress in transitioning from a service-based model to a technology-led approach, while simultaneously expanding our reach through new customer onboarding and a strategic acquisition.

Management's review

Key highlights in 2024 were:

- Significant growth in our technology offerings (+35%), such as LanguageWire Translate (machine translation engines) and our Translation Management System (TMS)
- 55% of our revenue were generated using our AI technology
- More than 1 billion words translated
- Welcomed more than 65 new key customers, including several blue-chip logos
- Revenue growth of 12% from our top 10 customers
- Strong customer satisfaction measured through customer Net Promoter Score (cNPS) +70 based on more than 1,600 responses from customers
- By fostering a culture of continuous improvement, LanguageWire initiated the implementation of LEAN principles
- Continued significant investments in software development and technology. In 2024, we added new tech products and services, e.g. AI content authoring, AI dubbing, AI interpreting and AI proof reading. All utilizing Large Language Models (LLM) and Generative Artificial Intelligence (GenAI)
- Integrations to our customers' core content/document management systems are key. In 2024, LanguageWire made integrations to Ampliance, Sitecore XP, Marketo, Contentstack, and multiple integrations through APIs or low-code platform providers. This comes in addition to multiple other integrations including Adobe, Drupal, inriver, Sitecore, WordPress etc.
- Additional release of multilingual neural Machine Translation (MT) engines, now covering more than 440 language pairs
- Bolt on acquisition of WHP International, a Paris-based Language Service Provider (LSP) which also has a presence in Canada, to further strengthen our competitive position in the French and North American market
- Continuing to streamline the legal structure by merging our three French affiliates into one and our two Finish companies into one (please see page 10 for our Group Charter)

With these actions, we are strongly positioned to continue our strategic journey of wiring the world together with language, by leveraging both technology and humans to address customers' needs.

Management's review

Letter from the CEO

2024 marked a pivotal shift for our organization as we continued transitioning from a predominantly service-oriented model to becoming a technology-driven leader in our industry. The language industry is undergoing a significant technological transformation, and LanguageWire aims to be at the forefront of this evolution. Our goal is to offer intelligent language solutions that connect, scale, and adapt to our customers' needs. We call this being 'Tech-led,' which for us means leveraging technology to enable seamless flexibility, whether the customer's need is purely language technology, human expertise, or a combination of both. This transition is progressing as planned, with 55% of our 2024 revenue generated using our AI technology.

To ensure we remain at the cutting edge of technological advancements, we continue to invest heavily in innovation. Over the past year, we proudly added industry-leading AI products to our tech-stack, including AI content authoring, AI dubbing, AI interpreting, and AI proofreading. Additionally, we enhanced our Translation Management System (TMS) with several new features, such as the ability to utilize multiple translation memory families, easy user authentication, and improved functionalities for translation memory. We also introduced new integrations and connectors to other applications, ensuring our customers can effortlessly order, manage, and publish translations directly within their native environments.

2024 was not without its challenges. Alongside the industry, we faced ongoing financial headwinds in our European markets due to economic slowdowns and our customers' increased cost-consciousness regarding language services. Despite these hurdles, we observed growth in the UK, US and Canada, as well as a net increase in key customers and translated word volumes—a testament to the growing demand for our offerings.

Furthermore, we navigated significant external challenges, including the ongoing war in Ukraine and severe flooding in Spain's Valencia region. Our presence in these areas has deeply impacted us, both physically and emotionally. I want to extend my heartfelt gratitude to our more than 400 colleagues for their unwavering loyalty and contributions to LanguageWire during these difficult times.

In 2024, we also advanced our acquisition strategy to expand our international presence and increase the volumes processed through our scalable tech platform. We welcomed WHP, a French language service provider with a strong presence in France and North America. WHP has since been integrated with LanguageWire France SAS.

Looking ahead, we remain excited about our long-term ambition. By leveraging our superior technology, exceptional team, and strong partnerships, we will drive organic growth in our current markets. At the same time, we will evaluate acquisitions to maximize the potential of our scalable Translation Management System.

Soren Bech Justesen CEO

Management's review

Development in activities and financial position follow up on last year's expectations

In 2024, revenue declined by 3.0% to EUR 66.7 million, primarily driven by existing customers adopting a more cost cautious approach combined with a cyclicity in their underlying business. This was partly countered by winning new customers and the acquisition of WHP International. The gross profit decreased to EUR 35.8 million in 2024 (2023: EUR 37.0 million), driven by the lower revenue which was partly countered by further investments in language technology and deliberate human efforts to improve efficiency. EBITDA before one-off items* reached EUR 8.9 million (2023: EUR 11.4 million), whereas EBITDA, including one-off items for the year, landed at EUR 6.3 million (2023: EUR 9.2 million).

The EBITDA before one-off* items of EUR 8.9 million was below the EUR 12.1-16.1 million (DKK 90-120 million) outlook provided as part of the 2023 annual report. The main explanation for not being within the outlook is the lower than anticipated revenue explained above.

*One-off items primarily include costs related to M&A activities, associated due diligence and integration costs and other one-off costs.

Subsequent events

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

Outlook

In 2025, we expect an EBITDA before one-off items in the range of EUR 8-14 million. The guidance assumes that customer and competitor behavior will remain at current levels.

Group relations

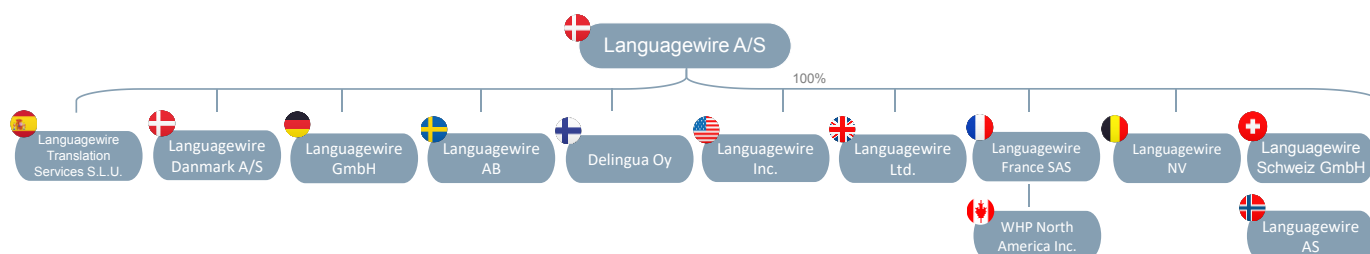
LanguageWire is 100% owned by BidCo af 11. august 2021 ApS which is 100% owned by Holdingselskabet af 6. august ApS. The owners of the Group are funds managed by the international private equity investor Bridgepoint (91%) and Group management (9%).

LanguageWire A/S owns 100% of Languagewire Translation Services S.L.U. (Spain), Languagewire Denmark A/S, Languagewire GmbH (Germany), Languagewire AB (Sweden), Delingua Oy (Finland), Languagewire Inc. (USA), Languagewire Ltd. (UK), Languagewire France SAS, Languagewire NV (Belgium), Languagewire Schweiz GmbH (Switzerland), and Languagewire AS (Norway). Please refer to the Group structure below.

Country overview

LanguageWire operates from 19 locations in 14 countries: Spain, Denmark, Germany, Sweden, Finland, US, UK, Canada, France, Belgium, Switzerland, Ukraine, Poland, and Portugal.

Group structure



As of 31 December 2024, LanguageWire was more than 400 full-time employees, which is in line with the end of December 2023. Of these, more than 380 employees (almost 90%) are located outside of Denmark.

Management's review

Nordics

The Nordic region is served by offices in Copenhagen, Aarhus, Stockholm, Varberg, Helsinki, and Turku. The Nordic region counts 84 FTEs, including the headquarters in Copenhagen.

Germany and Switzerland

The DACH region is served by offices in Hamburg, Munich and Zurich and counts for a total of 33 FTEs.

UK

The region operates out of an office in London with 10 FTEs.

Belgium, the Netherlands, and France

Customers in Belgium and the Netherlands are handled by our office in Leuven, while customers in France are managed out of the offices in Paris, Sophia Antipolis and Lille. The region employs 69 FTEs.

US and Canada

The North American customers are managed from our office in Atlanta and Montreal, with a total of 14 FTEs.

Spain

A large part of LanguageWire's operations, technology, and product organization is managed out of Valencia, with a total of 206 FTEs.

Ukraine, Poland, and Portugal

LanguageWire has technology development centers in Kyiv, Gdansk, and Lisbon, with a total of 18 FTEs.

Environmental, Social and Governance (“ESG”)

LanguageWire’s culture is based on four core values, one of which is: “Caring”. This value is partly reflected in our caring for the planet, our society, our customers, and our organization. In LanguageWire, the governance of ESG is monitored and managed at the Board level and is a standing item on the agenda on all Board meetings. Management and delivery of ESG within LanguageWire is delegated to the CFO and a Board member who works with other members of the Group management and three committees, each focusing on one of three key areas: Environment, Our People and Social, and Governance. During 2024 good progress was made in all areas. Going forward, we will continue to focus on ESGs that align with our values and where we believe we can make the most positive ESG contribution. Details of the initiatives for each key area are provided below. For a description of our business model, please see “Primary activities and business model” on page 7.

The language industry is a sector not usually associated with a negative impact on the environment, human rights issues, or gender bias. However, we still believe there are areas we can improve, and operating within a formalized ESG framework will enable us to achieve this.

LanguageWire is recurrently assessed by EcoVadis, which performs sustainability assessment of thousands of companies globally, covering environment, labor and human rights, ethics, and sustainable procurement.

LanguageWire’s loan portfolio is based on a sustainability-linked financing scheme. A sustainability-linked loan ties borrowing costs to achieving annual sustainability targets. The sustainability targets aim to reduce greenhouse gas emissions, enhance diversity, improve the loyalty of our language experts, and increase our security training.

Management's review

Environment

As most services in LanguageWire do not include physical items or production processes, our global environmental footprint is low. The environmental risks impacting LanguageWire include CO2 emissions. Our ambition is to become CO2-neutral by reducing our footprint to a minimum and utilizing carbon offset schemes.

Environmental ratios (see p. xx for explanations)	Unit	2024	2023	2022
Scope 1	Tons	14	18	20
Scope 2	Tons	88	96	108
Energy consumption from offices	mWh	364	318	303
Share of consumption from renewable sources	%	44	41	29
Scope 3	Tons	240	258	194
Scope 3 intensity	Tons per EURm revenue	3.60	3.75	3.03
Total CO2e	Tons	342	371	322
CO2e intensity	Tons per EURm revenue	5.13	5.40	5.02

Please note, that LanguageWire changed reporting platform to Novata and therefore comparison figures have been reassessed and calculated.

CO2e, scope 1: Direct GHG emissions from owned or controlled sources, accounted for according to the GHG Protocol. This mainly related to company cars. CO2e, scope 2: Indirect emissions due to the purchase of electricity, heat, steam, etc., for use in owned and controlled activities, accounted for using the GHG Protocol. This mainly related to offices and data center consumption. CO2e, scope 3: Indirect emissions (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions, accounted for using the GHG Protocol. This mainly relate to business travel and cloud consumption.

In 2024, LanguageWire continued its efforts to minimize the environmental impact of transportation between the offices by encouraging the use of telephone and video conferencing equipment to the greatest extent possible. A special focus in 2024 was our migration to a new reporting platform to better measure our CO2 emissions.

In accordance with the efforts to minimize LanguageWire's environmental footprint, our ambition is to:

- Comply with environmental legislation and other requirements, such as approved codes of practice
- Continually seek to minimize pollution, emissions, energy, and waste (e.g., emissions from transport etc. generated by the activities of LanguageWire)
- Actively promote recycling in offices
- Promote the use of digital communication channels to reduce the need for business travel
- Raise employee awareness of the importance of environmental care, including encouraging participation in environmentally supportive activities and providing the corresponding training
- Incorporate environmental practices for procurement and
- Continue to increase virtualized server infrastructure in our global locations

The environmental policy of LanguageWire is reviewed annually, or when major changes occur.

Targets for 2024	Status	Targets for 2025
Scope 3 intensity < 3.93 (Tons per EURm revenue (0.52 (Tons per DKKm revenue))	Achieved	Scope 3 intensity < 3.65 (Tons per EURm revenue)

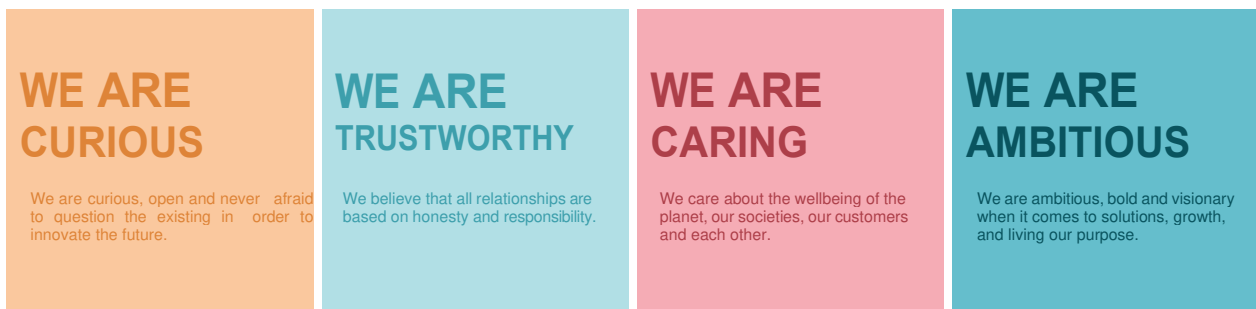
Management's review

Our People and Social

Within our focus on 'People and Social', *we want to be respected for providing value to society, particularly in the countries and areas we operate as well as providing a safe, fair, and rewarding working environment for our people and partners.*

We recognize that our people are what makes LanguageWire a success, and we want them to thrive and succeed.

We believe that by being able to articulate our purpose, we support our employees in connecting their contributions in LanguageWire to something meaningful - which is proven to be the most important factor in personal motivation. Our purpose is: To wire the world together with language. Why? Because we want to help people & businesses simplify communication. Because connecting people and businesses is the strongest tool to empower understanding. And because with one voice, in many languages, you can truly communicate with everyone. This is supported by our four values:



This also means we are curious about our employees' engagement, measured in biweekly surveys. The Organizational results are frequently shared openly in monthly meetings for all employees, whereas divisional, functional, and team results are discussed locally. We believe in conversations and sharing information in structured formats to achieve the greatest benefits. In 2024, our employee NPS was 44, which, despite a slight drop compared to 2023, is significantly above our peers' benchmark.

We acknowledge that as the nature of our workforce changes, we will have to be even more flexible and nurture an environment of inclusion and belonging. While we do believe that working from the office provides a more engaging and collaborative work environment where social interactions create better solutions and allow knowledge sharing, and cultural connections, wherever the job role allows, we are operating a flexible working concept, which can also reduce our environmental footprint. This creates flexibility for our employees to pick up kids, care for sick family members, go for a midday run to keep energy high, etc. We believe flexibility can result in higher job satisfaction and better well-being. Periodically getting away from the office has measurable benefits for innovation by creating "head space" for employees and offering new ways—or "fresh eyes"—to look at projects.

LanguageWire supports initiatives that promote a social and enjoyable work environment by allocating money to our employee association, PeopleWire, which is the prime driver for social initiatives in LanguageWire. Additionally, LanguageWire supports various employee physical activities, such as running, yoga, meditation, and cycling events. In the offices, fresh fruit is available throughout the week, and employees regularly participate in a communal breakfast.

In 2024, there has been a focus on building career paths for certain employee groups to create a broader and more visible route for employees' career advancement and to give leaders better visibility of future value creation-promotions. Our internal learning management platform has been expanded with several new learning journeys to assist developing our employees. For our language expert partners, we have provided several training webinars and educational material to assist them in their growth journey, with a special focus on new technologies and efficiency improvements.

In the wider community, we have been collecting money for people who have been made homeless, through economic or environmental reasons, and entered cooperation agreements with various NGOs to further utilize our technology platform to improve communication for both our local communities and wider audiences.

Management's review

In late October 2024, Valencia and surrounding areas experienced severe storm conditions with heavy rainfall and flooding which impacted several of our employees directly and a large number indirectly. In addition to supporting our employees and their families during this challenging time, LanguageWire and employees donate money to organizations supporting the rebuilding of the city and we allowed employees time off to volunteer in the clean-up after the storm.

To monitor our performance in relation to our people and the wider society we measure certain metrics. The following table shows several of the key ratios with further explanations below:

Social ratios (see p. 20 for explanations)	Unit	2024	2023	2022
Employees total end of year	Heads	432	428	403
Employees total end of year, other leaders	Heads	53	63	63
Employees total end of year, senior leaders	Heads	22	20	15
Independent Board members	Heads	5	5	3
Employees total (avg.)	Heads	437	416	424
Total number of FTEs (avg.)	FTEs	424	403	407
Total employee turnover	%	23.6	16.7	20.8
Gender diversity, all employees	% Women	63	61	59
Gender diversity, other leaders	% Women	57	60	52
Gender diversity, senior leaders	% Women	41	35	20
Gender diversity, Board members	% Women	40	40	0
Employee NPS	NPS	44	49	61
Customer NPS	NPS	71	72	68
Vendor NPS	NPS	26	30	32

We believe that a workforce made up of various cultures, genders, ages, and languages provides valuable perspectives. This focus on diversity is essential for our creativity, agility, competitiveness, and, ultimately, our success. This is achieved by fostering a supportive environment where all individuals can realize their potential. On a recurring basis, we ask employees (anonymously) to assess whether “People from all backgrounds are treated fairly at LanguageWire” and are pleased that this metric continually achieves a high score and remains above benchmark.

Gender diversity

We are targeting at least 40% of each gender on all levels of employees in LanguageWire and at the end of 2024, LanguageWire's gender diversity was 63% women.

Overall LanguageWire's diversity policy is to employ and promote the best and most suitable persons, regardless of gender. This is embedded in the recruitment processes of LanguageWire.

As of 31 December, the gender diversity in other leadership positions was 57% women and 41% in senior leadership positions. This is an improvement towards a more balanced gender mix compared to last year due to a focused effort as part of the recruitment and promotion processes. We will continue to work on achieving a balanced mix of each gender in the recruiting process for management positions.

The Board of Directors set its diversity ambition to have at least two board members of each gender on the Board and 40% of each gender of the independent board members. This ambition was fulfilled during 2024. As of end of 2024, the Board consists of eight people, where five of these are independent and two are women. The Board will continue to focus on ensuring a balanced mix of genders.

Targets for 2024	Status	Targets for 2025
35% women in senior leadership – going towards 40% in 2026	Achieved	Women in senior leadership above 40%

Management's review

Our customers

The customers we service are leading global brands across all industries. We have a diversified sector exposure and a broad geographic distribution of customers. The total number of customers amounts to more than 2,000 active customers.

In 2024, we had a target of achieving a customer net promoter score (cNPS) of at least 65. We reached 71 and thereby substantially outperformed the target. The cNPS score indicates how likely it is that customers will recommend LanguageWire to a friend or colleague. Any cNPS score above 0 is good, while above 20 is favorable and above 50 is excellent. Therefore, we are proud and thankful for the satisfaction and loyalty illustrated in the 71 score from our customers. We will do our utmost to continue this high level while also being aware that a score at this level can be difficult to maintain.

Target for 2024	Status	Target for 2025
Net promoter score >65	Achieved	Net promoter score >65

Our language experts ('freelance translators or vendors')

Our external language experts are also a key part of LanguageWire, ensuring quality deliveries across all languages and industry verticals. Therefore, their loyalty and engagement towards LanguageWire are of high importance, and we want to be their preferred partner. We continuously seek to improve our collaboration and engagement via newsletters, social media posts and webinars. Based on responses from more than 1,000 vendors, our Vendor Net Promoter Score (vNPS) of our external language experts was 26 in 2024 (30 in 2023), and the Vendor Net Effort Score (vNES) decreased to 49 (50 in 2023). The slight drop in the vNPS is mainly driven by newly migrated vendors from acquisitions, who in general score lower, and vendors asking for greater work volumes. We are addressing both points and are in close dialogue with our language experts. The vNPS tells how likely a vendor would recommend working with LanguageWire to a friend or a colleague, whereas the vNES tells whether vendors find it easy to work with LanguageWire. Any vNPS score above 0 is good, while above 20 is favorable and we are thankful for the satisfaction and loyalty illustrated in the above scores from our Vendors despite the large technology transition they are currently experiencing.

Governance

Our ambition within 'Governance' is to act responsibly in all aspects of our business continually emphasizing LanguageWire's focus on compliance, transparency, and the quality of our business. During the coming year, we will continue working to strengthen our governance policies.

The organization of LanguageWire's management is based on the Danish Companies Act, the Danish Financial Statements Act, and LanguageWire's articles of association. LanguageWire has based its corporate governance efforts on a two-tier system, where the Board of Directors and the Executive Management have distinct separate roles. The Executive Management undertakes the operational management of LanguageWire, whereas the non-executive Board of Directors approves the overall strategy based on input from Executive Management and acts as an active sparring partner to the Executive Management.

The Board ensures that the Executive Management follows the defined objectives, strategies, and business plans formalized through the rules of procedures for the Board of Directors and Executive Board, with specific guardrails for decision-making. Feedback from Executive Management takes place systematically in meetings and through written and verbal reports. The Board considers that this, along with the internal procedures, provides adequate and effective risk management and appropriate internal controls.

Board meetings follow a fixed schedule, with at least five meetings annually. At one of the meetings, the strategy is defined, including objectives, goals, and initiatives. Monthly business review meetings are held in addition to the Board meetings to ensure a close and continuous dialogue with the daily management of LanguageWire. It is the Board's desire that at least one of the Board meetings should be at one of the Group's offices outside Denmark to improve dialogue with staff and better understand the opportunities and challenges they face.

LanguageWire has established an Audit Committee to assist the Board in overseeing the financial reporting process and the effectiveness of the internal control and risk management systems. The Audit Committee is responsible for assisting the Board of Directors in evaluating the effectiveness of LanguageWire's internal controls and risk management systems and the quality of its financial reporting. Besides the Audit Committee, a working group has been established around M&A activities and one around ESG, both with participation from the Board.

Management's review

Anti-Bribery & Corruption (ABC)

LanguageWire has an embedded anti-bribery and corruption policy. The policy ensures that employees act according to high ethical standards. LanguageWire adheres to the laws and regulations in the countries in which it operates and any form of bribery, including gifts, hospitality, or entertainment, that could raise concerns about the companies' integrity is not accepted. The ABC policy clearly forbids participation in any kind of bribery or facility payments - both directly and indirectly. The primary risk would be an employee who does not follow our policy. To mitigate this, we have implemented regular training of our employees to ensure they understand the rules. In 2025, we will continue our efforts to maintain a high standard in this area as well as ensuring relevant information and training for our employees and partners. Throughout 2024, LanguageWire has not had any anti-bribery or corruption cases.

Anti-money Laundering (AML)

As a company, we are committed to ensuring that all applicable AML laws and regulations are adhered to for all aspects of our business. We only engage with third parties that are involved in legitimate business activities and can show that their funds derive from legitimate sources. Our AML policy states we have a zero-tolerance position on money laundering.

Cybersecurity

LanguageWire has implemented an information security policy with the objective of preserving the confidentiality, integrity, and availability of all the electronic and physical information assets throughout LanguageWire.

Data Ethics

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

- Security: To safeguard high ethical data standards, LanguageWire ensures appropriate technical and organizational security measures are implemented to prevent the accidental or unlawful destruction, accidental loss, alteration, or change, and unauthorized disclosure of or access to data
- Fairness: It is about doing what is right and only handling personal data in ways that people would reasonably expect and not using it in ways that have unjustified adverse effects on them. In that regard, LanguageWire considers whether the use of personal information can be justified and that processing that information is compatible with what can be expected in a free and democratic society and in accordance with human rights.
- Transparency: We are transparent about our data processing activities and are clear about how and why we use personal data.

A significant amount of the data ethics considerations is already part of our customer dialogs before the start of any project delivery. We do not sell any data to any third parties or profit from it in any way. Please also visit: <https://www.languagewire.com/en/info/privacy-policy>

Health & Safety

As a company whose employees work in many different locations, health and safety are of particular importance. At LanguageWire, we must be familiar with the safety standards and policies established to protect our employees in all our areas of operation and ensure we comply with them. We are fully focused on ensuring that a healthy and safe working environment is provided in accordance with current legislation and our internal policy.

Human Rights & Modern Slavery

LanguageWire supports all human rights protected by national as well as international laws. We believe the primary risks within human rights relate to whether we use language experts of a minor age. To mitigate this, we conduct a rigorous selection process when deciding who can become a partner of LanguageWire. During 2024, we have not received any complaints in relation to breaches of any human rights. We will continue to focus on human rights, adapt to changes, and ensure our employees and partners are informed.

Management's review

Whistleblower function

LanguageWire has implemented a whistleblower policy and correspondingly set up a whistleblower function with a reporting facility. The Audit Committee conducts a yearly review of the whistleblower function, reporting facility and would meet to discuss any cases raised. A third-party legal company supports the reporting facility.

Other

LanguageWire and its subsidiaries are closely monitored by Group Finance, which also handles the financial management of subsidiaries and ensures an appropriate degree of separation of functions.

Quality

LanguageWire is known as a trusted partner for many global enterprises through its delivery of solutions in accordance with best practice processes and via an industry-leading, cloud-based data security infrastructure. LanguageWire's solutions are delivered according to ISO 9001, ISO 17100, ISO 27001, ISO 18587, and ISO 13485. Further, LanguageWire is certified by TISAX, a strict security standard that a large number of organizations in the automobile sector require.

Research and development activities

In 2024, new tech products and services were added, e.g. content authoring, AI dubbing, AI interpreting and AI proof reading. All utilizing Large Language Models (LLM) and Generative Artificial Intelligence (GenAI). In addition, we have improved our Translation Management System, with several enhanced features including the ability to use several translation memory families, enhanced user authentication, additional features and functionalities with translation memories, and increased the number of new connectors to other applications ensuring our customers can easily order, manage and publish translations without leaving their native environment.

Key risks

LanguageWire's Board and Executive Management are in close and regular dialogue regarding LanguageWire's key risks, identifying and monitoring risks that could potentially have a large impact on the business. The following table identifies the key risks to LanguageWire, alongside the corresponding mitigating measures that have been initiated in the various areas.

	Risk description	Risk mitigation
Market	<ul style="list-style-type: none"> - Failure to grow existing or new business - Market disruption due to new technology - Price pressure 	<ul style="list-style-type: none"> - Close collaboration with customers - Improved technology/services and products
Product	<ul style="list-style-type: none"> - Platform availability and development 	<ul style="list-style-type: none"> - Business continuity plans - Continuous improvement of our platform
Cybersecurity & Technology	<ul style="list-style-type: none"> - Cyber attacks and other disruption of services 	<ul style="list-style-type: none"> - IT security installations - Training of employees
Sourcing	<ul style="list-style-type: none"> - Failure to source vendors 	<ul style="list-style-type: none"> - Team of inhouse experts continually working on identifying and recruiting new vendors and close dialogue with our language experts to ensure we retain those we have
People	<ul style="list-style-type: none"> - Failure to attract, develop and retain key employees 	<ul style="list-style-type: none"> - Engagement surveys - Training programs - Living our purpose and values - Employer branding
Financial	<ul style="list-style-type: none"> - Credit, debt, currency, and interest risk 	<ul style="list-style-type: none"> - Hedges and continuous monitoring of currency and interest levels - Overdue debt is addressed promptly
Other	<ul style="list-style-type: none"> - Lockdown of society, war or other geopolitical risks 	<ul style="list-style-type: none"> - Business continuity plan - Ability and flexibility to work from home with good IT setup

Management's review

Market risks

To continue staying relevant for our customers, LanguageWire needs to deliver an excellent service and produce high-quality content at competitive prices. The advanced technological capabilities and continued high level of investments in both new technology and our people help assure our competitiveness. Partnerships are integral in accessing customers and markets, and LanguageWire strives to nurture these relations. Moreover, we continuously monitor and implement new technologies to uphold value-creating offerings for our customers.

While our customers do occasionally explore other possible language service providers, particularly given technology advancement, desire for cost savings or similar, we do see many returns due to our service levels, operational flexibility, and technology platform.

Product risks

LanguageWire's business rationale is to deliver language products and services through LanguageWire's technology platform. The largest risk is the quality and delivery of our services, which are controlled by both our people and our technology assets. To manage and mitigate risk, we are ISO certified in 17100 (Translation services), 9001 (Quality management systems), 27001 (Information security management), 18587 (Translation services — post-editing of machine translation output), and ISO 13485 (Medical devices) standards.

LanguageWire is also certified by TISAX, a strict security standard that a large number of organizations in the automobile sector require. These certifications enable us to provide the highest level of quality assurance in the industry. Further, significant investments are made yearly to maintain and develop our platform.

Cybersecurity and technology risks

Technology is at the core of all our offerings. High levels of IT security are paramount. LanguageWire works continuously to ensure that its policies and practices provide the best levels of security possible, e.g., by being certified by ISO 27001 (Information security management). Furthermore, LanguageWire's platform is placed in a secure cloud-based infrastructure.

We will continue to reduce risk by ensuring sufficient training of employees and partners in combination with the use of an external security assurance partner.

Sourcing risks

We work with some of the best-skilled freelance translators in the industry, and their contributions are vital. Nurturing the community to ensure a sustainable recruitment base for future growth is essential. However, the market for language experts is large, and with our attractive automated technology and Post-edited Machine Translation (PEMT) pricing, the sourcing risk is deemed low.

People risks

Our employees at LanguageWire are the most important part of our Group. Therefore, there is an inherent risk related to attracting, developing, and retaining the required talented people. LanguageWire has a formalized approach to employee recruitment, runs biweekly engagement surveys and conducts training sessions for teams and leaders. There is a strong focus on employee engagement, development, and well-being within LanguageWire, with various programs conducted throughout the year. For example, as part of the employee development work, a framework has been created to foster development conversations between employees and leaders with a focus on professional and personal growth. We also have a learning management platform that continues to be populated with relevant information to secure best practices and knowledge sharing. Lastly, we have built a framework for career paths to create a broader and more visible career path for individuals, including transparency about what skills and attributes a certain role requires.

Management's review

Financial risks

The Board and the Executive Management regularly evaluate whether the capital structure of LanguageWire and the Group is in accordance with the overall targets and supports long-term sustainable economic growth.

The credit risks relate to trade receivables included in the balance sheet. We have a long track record of little or no loss on trade receivables. A provision for overdue trade receivables is applied based on a mathematical model. The risk is deemed small. However, the trade receivable aging reports are monitored monthly, and any overdue debt is addressed promptly.

LanguageWire is exposed to exchange rate risks in the countries where its commercial activities are located. Whilst these risks are at a relatively low level, they are still monitored closely. Most of the commercial activities are carried out in Europe, with EUR (incl. DKK) as the main currency, followed by SEK, NOK, USD, and GBP.

Interest rate risk arises in relation to interest-bearing assets and liabilities. The interest rate risk varies according to the utilization of the committed debt facility.

Other risks

LanguageWire is exposed to risks in countries where we have a physical presence. Therefore, management closely monitors geopolitical risks, for example, the flood disaster in Valencia this year, the current war in Ukraine and other risks. Relevant mitigating action plans are prepared and implemented across the affected businesses.

Management's review

Explanation of ESG ratios

Headcount:	The number of people employed
FTE:	Full Time Equivalent. Workload of headcounts.
CO2e intensity:	Tons CO2e / revenue
TCO2e:	Calculated via the GHG Emission Wizard from Novata
Employee turnover:	Heads leaving (excl. heads with a fixed end date) / Average heads
Gender diversity, all employees	% Women heads at year end
Gender diversity, other leaders	% Women heads in other leadership positions at year end
Gender diversity, senior leaders	% Women heads in senior leadership positions at year end
Gender diversity, BoD	% Women heads in Board at year end
Employee NPS	An average of score in 2024 with participation of all employees
Customer NPS	An average of score in 2024 from more than 1,600 customer replies
Vendor NPS	An average of score in 2024 from more than 1,000 vendor replies

Management's review

The Board of Directors and Executive Management

The CEO is Soren Bech Justesen



The composition of the Board is as follows:

Jens Albert Harsaae,
Chair



Johan Dahlfors



Martin Janson



Oliver Krogh Hallin



Gert Sylvest



Sofia Toll



Zuzanna Zygadlo-Stenberg



Management's review

The Board members hold the following positions:

Chair, Jens Albert Harsaae

<i>Chair</i>	<i>Vice chair</i>	<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS	NIRAS A/S	RAKAAS ApS
BidCo af 11. august 2021 ApS		
Languagewire A/S		
PLUS PACK A/S		
INTERNET INTELLIGENCE HOUSE NORDIC A/S		
CC Globe Holding II A/S		
CC Globe Holding I ApS		
Group Online A/S		
ABACUS MEDICINE A/S		
WEB-KONCEPT A/S		

Johan Dahlfors, Partner at Bridgepoint

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S
Vitamin Well
Revelio HoldCo ApS
MyDefence Group ApS
MyDefence A/S
Abion

Board member Martin Janson, Director at Bridgepoint

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S

Management's review

Board member Oliver Krogh Hallin, Associate at Bridgepoint

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S
Revelio HoldCo ApS
MyDefence Group ApS
MyDefence A/S

Board member Gert Sylvest, Head of Strategy and Partnerships, Semfi, Co-founder Tradeshift

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S
Tradeshift AB
Etherware ApS
Tradeshift ApS
Tradeshift AS

Board member Zuzanna Zygadlo-Stenberg, Director of Strategy and Enablement at Schibsted Media

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S

Board member Sofia Toll, CMO at ABAX AS

<i>Board member/CEO</i>
Holdingselskabet af 6. august ApS
BidCo af 11. august 2021 ApS
Languagewire A/S

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TEUR	TEUR	TEUR	TEUR
Revenue	1	66,658	68,739	41,339	43,586
Work on own account recognised in assets		4,288	4,187	4,288	4,187
Cost of goods sold		-24,721	-27,260	-33,072	-31,604
Other external expenses		-10,395	-8,674	-1,730	-1,630
Gross profit		35,830	36,992	10,825	14,539
Staff expenses	2	-29,501	-27,834	-8,396	-8,696
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-12,081	-11,170	-4,408	-3,994
Profit/loss before financial income and expenses		-5,752	-2,012	-1,979	1,849
Income from investments in subsidiaries		0	0	1,158	0
Financial income	4	5,143	2,099	1,435	654
Financial expenses	5	-8,657	-5,149	-3,344	-3,814
Profit/loss before tax		-9,266	-5,062	-2,730	-1,311
Tax on profit/loss for the year	6	1,212	142	354	-142
Net profit/loss for the year	7	-8,054	-4,920	-2,376	-1,453

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TEUR	TEUR	TEUR	TEUR
Completed development projects		14,754	12,603	14,754	12,557
Acquired other similar rights		34,089	39,614	540	2,819
Goodwill		56,736	59,603	0	0
Development projects in progress		2,304	2,299	2,304	2,299
Intangible assets	8	107,883	114,119	17,598	17,675
Other fixtures and fittings, tools and equipment		759	634	134	100
Property, plant and equipment	9	759	634	134	100
Investments in subsidiaries	10	0	0	99,064	90,533
Deposits	11	623	529	0	0
Fixed asset investments		623	529	99,064	90,533
Fixed assets		109,265	115,282	116,796	108,308
Trade receivables		10,672	11,532	0	0
Contract work in progress	12	1,447	1,730	0	0
Receivables from group enterprises		169	481	11,575	11,989
Other receivables		526	494	52	7
Corporation tax		630	228	398	262
Prepayments	13	74	60	365	361
Receivables		13,518	14,525	12,390	12,619
Cash at bank and in hand		2,483	1,972	240	281
Current assets		16,001	16,497	12,630	12,900
Assets		125,266	131,779	129,426	121,208

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TEUR	TEUR	TEUR	TEUR
Share capital		67	67	67	67
Share premium account		269	269	0	0
Reserve for development costs		0	0	24,892	11,588
Retained earnings		62,968	68,033	49,556	62,288
Equity		63,304	68,369	74,515	73,943
Provision for deferred tax	14	10,205	11,499	2,112	2,322
Provisions		10,205	11,499	2,112	2,322
Credit institutions		34,726	36,562	31,726	33,562
Long-term debt	15	34,726	36,562	31,726	33,562
Credit institutions	15	6,902	4,691	6,902	4,691
Prepayments received from customers		2,243	2,293	405	0
Trade payables		3,200	3,587	2,259	2,255
Payables to group enterprises		196	33	10,537	3,469
Corporation tax		125	402	0	0
Other payables		4,365	4,343	970	966
Short-term debt		17,031	15,349	21,073	11,381
Debt		51,757	51,911	52,799	44,943
Liabilities and equity		125,266	131,779	129,426	121,208
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Fee to auditors appointed at the general meeting	18				
Subsequent events	19				
Accounting Policies	20				

Statement of changes in equity

Group

	Share capital	Share premium account	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	67	269	68,012	68,348
Net effect from change of accounting policy	0	0	21	21
Adjusted equity at 1 January	67	269	68,033	68,369
Exchange adjustments	0	0	-34	-34
Contribution from group	0	0	3,000	3,000
Other equity movements	0	0	23	23
Net profit/loss for the year	0	0	-8,054	-8,054
Equity at 31 December	67	269	62,968	63,304

Parent company

	Share capital	Reserve for development costs	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	67	11,588	62,288	73,943
Net effect from change of accounting policy	0	0	-49	-49
Adjusted equity at 1 January	67	11,588	62,239	73,894
Exchange adjustments	0	0	-3	-3
Contribution from group	0	0	3,000	3,000
Development costs for the year	0	13,304	-13,304	0
Net profit/loss for the year	0	0	-2,376	-2,376
Equity at 31 December	67	24,892	49,556	74,515

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
1. Revenue				
Geographical segments				
Nordics	24,259	24,395	14,420	17,964
DACH	19,567	15,029	14,624	15,418
BeneFrance	15,395	22,256	7,302	5,449
UK & US	7,400	7,059	4,993	4,755
Other (Spain)	37	0	0	0
	66,658	68,739	41,339	43,586

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
2. Staff expenses				
Wages and salaries	27,325	25,764	8,039	8,268
Pensions	1,224	1,174	271	299
Other social security expenses	308	200	0	32
Other staff expenses	644	696	86	97
	29,501	27,834	8,396	8,696
Including remuneration to the Executive Board	159	109	0	0
Average number of employees	422	401	32	40

Salary in 2024 includes TEUR 4,288 which is transferred to capitalized costs for development projects.

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

The board has selectively invited key employees to acquire shares in Holdingselskabet af 6. august ApS at fair market value.

Remuneration to the Executive Board has not been disclosed in the Parent Company accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	11,873	10,969	4,356	3,929
Depreciation of property, plant and equipment	208	201	52	65
	12,081	11,170	4,408	3,994

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
4. Financial income				
Interest from group enterprises	0	32	967	413
Other financial income	126	243	109	241
Exchange gains	5,017	1,824	359	0
	5,143	2,099	1,435	654

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
5. Financial expenses				
Other financial expenses	3,676	3,241	3,344	3,061
Exchange loss	4,981	1,908	0	753
	8,657	5,149	3,344	3,814

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
6. Income tax expense				
Current tax for the year	269	630	-398	-245
Deferred tax for the year	-1,227	-1,432	198	57
Adjustment of tax concerning previous years	-53	329	-166	0
Adjustment of deferred tax concerning previous years	-201	331	12	330
	-1,212	-142	-354	142

	Parent company	
	2024	2023
	TEUR	TEUR
7. Profit allocation		
Retained earnings	-2,376	-1,453
	-2,376	-1,453

8. Intangible fixed assets

Group

	Completed development projects	Acquired other similar rights	Goodwill	Development projects in progress
	TEUR	TEUR	TEUR	TEUR
Cost at 1 January	17,473	64,030	72,748	2,298
Exchange adjustment	-10	38	9	-1
Additions for the year	4,285	561	814	2,304
Transfers for the year	0	0	0	-2,297
Cost at 31 December	21,748	64,629	73,571	2,304
Impairment losses and amortisation at 1 January	4,868	24,443	13,184	0
Exchange adjustment	0	0	0	0
Amortisation for the year	2,126	6,097	3,651	0
Impairment losses and amortisation at 31 December	6,994	30,540	16,835	0
Carrying amount at 31 December	14,754	34,089	56,736	2,304

Notes to the Financial Statements

Parent company

	Completed development projects	Acquired other similar rights	Develop- ment projects in progress
	TEUR	TEUR	TEUR
Cost at 1 January	18,338	11,992	2,299
Exchange adjustment	-11	-8	-2
Additions for the year	4,283	0	2,304
Transfers for the year	0	0	-2,297
Cost at 31 December	<u>22,610</u>	<u>11,984</u>	<u>2,304</u>
Impairment losses and amortisation at 1 January	5,780	9,174	0
Exchange adjustment	-4	-6	0
Amortisation for the year	2,080	2,276	0
Impairment losses and amortisation at 31 December	<u>7,856</u>	<u>11,444</u>	<u>0</u>
Carrying amount at 31 December	<u>14,754</u>	<u>540</u>	<u>2,304</u>

Notes to the Financial Statements

Main development projects in the year

Completion of Cascading Translation Memory (TM)s

Cascading TMs feature allows creating of so-called TM Set. TM set includes several different TM families and therefore utilises more TM content which results into improved quality, consistency and cost savings.

AI dubbing

Enhancing our video-subtitling service with a possibility of AI dubbing, with the human-like voices and ability to adjust pronunciation and business terminology. This comprehensive service saves our customers time and money.

LW Generate

AI content generation tool that is enhanced with our customers' linguistic assets in Translation Memories (TMs) and Term Bases (TBs) to ensure the delivery of hyper-customised high-quality content

Migration of user authentication to KeyCloak

KeyCloak simplifies user authentication by providing a centralized system that lets you manage logins across the LW application suite easily. It offers strong security features like single sign-on or multi-factor authentication. It also adds the advantage of native OpenID Connect support for seamless, standards-based identity integration.

Translation Memory Management System (TMMS)

Our new TM Editor offers a new range of features and functionalities that allow users better and more efficient management of the content stored in them. It is fully replacing our TM look-up functionality.

Addition of images to our Term Base (TB) solution

Our latest TB extension saw us introducing reference images to provide additional context and reference. This useful enhancement helps to ensure consistency in translation of terms across all target languages.

New connectors

Introduction of new connectors like Ampliance, Sitecore XP, Marketo, Contentstack and others enables our customers to easily order, manage and publish their translations without ever leaving their native environment. We have also implemented a partnership with Blackbird.io, a low-code integration and orchestration platform that enables us to connect to 80 other systems with less coding effort.

Optical character recognition workflow support (OCR)

Thanks to introduction of OCR in our workflows, we are now able to quickly and efficiently process non-editable PDF documents that require translation or localization services, while keeping the original layout and formatting intact.

Notes to the Financial Statements

9. Property, plant and equipment

	<u>Group</u>	<u>Parent company</u>
	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
	TEUR	TEUR
Cost at 1 January	1,781	634
Exchange adjustment	7	0
Additions for the year	675	86
Disposals for the year	-12	0
Cost at 31 December	<u>2,451</u>	<u>720</u>
Impairment losses and depreciation at 1 January	1,147	534
Exchange adjustment	6	0
Net effect from merger and acquisition	343	0
Depreciation for the year	208	52
Reversal of impairment and depreciation of sold assets	-12	0
Impairment losses and depreciation at 31 December	<u>1,692</u>	<u>586</u>
Carrying amount at 31 December	<u>759</u>	<u>134</u>

Notes to the Financial Statements

	Parent company	
	2024	2023
	TEUR	TEUR
10. Investments in subsidiaries		
Cost at 1 January	90,473	85,930
Additions for the year	8,591	4,603
Cost at 31 December	99,064	90,533
Carrying amount at 31 December	99,064	90,533

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
LanguageWire Danmark A/S	Copenhagen, Denmark	54	100%
LanguageWire Inc.	Atlanta, United States of America	24	100%
LanguageWire GmbH	Hamburg, Germany	25	100%
LanguageWire AB	Stockholm, Sweden	9	100%
LanguageWire AS	Oslo, Norway	11	100%
LanguageWire Ltd.	London, United Kingdom	1,566	100%
Delinuga Oy	Helsinki, Finland	12	100%
LanguageWire NV	Leuven, Belgium	2,616	100%
LanguageWire France SAS	Paris, France	4,852	100%
LanguageWire Translation Services S.L.U.	Valencia, Spain	3	100%
LanguageWire Switzerland AG	Zürich, Switzerland	21	100%

Notes to the Financial Statements

11. Other fixed asset investments

Group

	Deposits
	TEUR
Cost at 1 January	529
Additions for the year	94
Cost at 31 December	<u>623</u>
Carrying amount at 31 December	<u>623</u>

12. Contract work in progress

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
Selling price of work in progress	1,447	1,730	0	0
	<u>1,447</u>	<u>1,730</u>	<u>0</u>	<u>0</u>
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	1,447	1,730	0	0
	<u>1,447</u>	<u>1,730</u>	<u>0</u>	<u>0</u>

13. Prepayments

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

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
14. Provision for deferred tax				
Deferred tax liabilities at 1 January	11,499	11,009	2,322	1,622
Adjustments of deferred tax concerning previous years	-201	331	12	330
Other adjustments	-6	0	-24	18
Additions through business combinations	140	1,253	0	0
Tax credit scheme paid out	0	338	0	295
Amounts recognised in the income statement for the year	-1,227	-1,432	-198	57
Deferred tax liabilities at 31 December	10,205	11,499	2,112	2,322

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
15. 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:

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	34,726	36,562	31,726	33,562
Long-term part	34,726	36,562	31,726	33,562
Within 1 year	1,814	1,815	1,814	1,815
Other short-term debt to credit institutions	5,088	2,876	5,088	2,876
	41,628	41,253	38,628	38,253

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TEUR	TEUR	TEUR	TEUR
16. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,530	1,839	179	184
Between 1 and 5 years	1,381	2,212	0	1
	2,911	4,051	179	185

Other contingent liabilities

A deed registered to the bank secured on shares in LanguageWire A/S has been registered as collateral for all balances with Nordea Bank owed by the Group. The Holding Company has provided guarantee of payments for all amounts owed to Nordea Bank by the Group.

The Entity participates in a Danish joint taxation arrangement in which Holdingselskabet af 6. august ApS, Central Business Registration No 42594881, serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from 19 October 2022 for income taxes etc and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

17. Related parties

	Basis
Controlling interest	
Holdingselskabet af 6. august ApS	Largest group
BDC IV S.å.r.l.	Ultimative parent

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)(7) of the Danish Financial Statements Act. There have been no such transactions in the financial year.

18. Fee to auditors appointed at the general meeting

The Company is included in the consolidated Financial Statements for Holdingselskabet af 6. august ApS, where the audit fee for the entire group is presented.

Notes to the Financial Statements

19. Subsequent events

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

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Languagewire A/S 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 Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in TEUR.

Changes in accounting policies

Effective from 1 January 2024, the company has changed its reporting currency from Danish Kroner (DKK) to Euro (EUR). The change has been applied retrospectively, all comparative figures for prior periods have restated in EUR in the financial statements and notes. The exchange rates used for the conversion is:

Balance Sheet Items as of 31 December 2023: DKK to EUR 7.45

Income Statement Items: Average exchange rate for the period 1 January to 31 December 2023: DKK to EUR 7.45 for 2023.

The change is disclosed as a change in accounting policy in the equity statement.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Holdingselskabet af 6. august ApS, the Company has not prepared a cash flow statement.

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, Languagewire A/S, 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.

Notes to the Financial Statements

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.

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.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Notes to the Financial Statements

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the three enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the three enterprises had always been combined by restating comparative figures.

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

EUR 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. Gains and losses 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.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Segment information on revenue

Information on geographical segments and geographical segments are based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans 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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue related to the license is recognized over the period in which the license is provided to the customer. Because the customer receives and consumes the benefits of the license provided as the Group performs, the performance obligation is satisfied over time. Revenue is recognized on a straight-line basis.

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

Cost of goods sold

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

Other external expenses

Other external expenses comprise expenses for premises, sales 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.

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.

Notes to the Financial Statements

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 year.

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

Development projects

Intellectual property rights consist of development projects and acquired customer relations.

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

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5-10 year.

Other intangible fixed assets

Acquired other similar rights

Customer contracts acquired through business combinations are recognised at fair value at the acquisition date. Customer contracts are amortised on a straight-line basis over its useful life, which is assessed at 15 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

Other fixtures and fittings, tools and equipment	3-5 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

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.

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.

Contract work in progress

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

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

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

Prepayments

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

Deferred tax assets and liabilities

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

Deferred tax assets, 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 within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and 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.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
Equity ratio	$\text{Equity excl minority interests} \times 100 / \text{Total assets}$
EBITDA normalized margin	$\text{Normalized EBITDA} \times 100 / \text{Revenue}$