

# *Languagewire A/S*

Nitivej 10, 1., DK-2000 Frederiksberg

## Annual Report for 2022

CVR No. 25 56 78 46

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 23/3 2023

Søren Bech Justesen  
Chairman of the  
general meeting



## Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's statement	1
Independent Auditor's report	2
<b>Management's Review</b>	
Company information	4
Financial Highlights	5
Management's review	6
<b>Financial Statements</b>	
Income statement 1 January - 31 December	23
Balance sheet 31 December	24
Statement of changes in equity	26
Notes to the Financial Statements	27



# Independent Auditor's report

To the shareholder of Languagewire A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Languagewire A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 2 March 2023

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Thomas Baunkjær Andersen  
State Authorised Public Accountant  
mne35483

Mads Lundemann  
State Authorised Public Accountant  
mne44181



## Company information

<b>The Company</b>	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: 22th financial year Municipality of reg. office: Frederiksberg
<b>Board of Directors</b>	Jens Albert Harsaae, chairman Gert Sylvest Oliver Krogh Hallin Johan Erik Dahlfors Martin Janson Richard Thompson
<b>Executive board</b>	Søren Bech Justesen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

## Financial Highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	74,978	96,944	81,084	44,023	30,609
Profit/loss before financial income and expenses	13,851	18,924	17,013	7,595	10,601
Net profit/loss	15,302	16,746	3,549	-10,930	6,802
<b>Balance sheet</b>					
Balance sheet total	360,899	357,420	468,688	383,183	296,192
Investment in property, plant and equipment	181	247	591	-2,301	1,192
Equity	41,349	29,670	14,178	11,779	24,651
Number of employees	48	52	44	30	28
<b>Ratios</b>					
Return on equity	44.3%	76.4%	27.3%	-60.0%	27.5%
Equity ratio	11.4%	8.3%	3.0%	3.1%	8.3%

For explanation of financial ratios see note 17.

# Management Review

## Primary activities and business model

LanguageWire is a leading European Language Service and Technology Provider (LSTP), helping businesses engage and communicate with any audience across the globe. Since its founding in 2000, LanguageWire has pursued its vision of making global communications smarter and more efficient by providing access to relevant language experts and leading-edge language technology.

LanguageWire offers a language management ecosystem which combines bespoke AI technology and human expertise to deliver translations, editing, desktop publishing, and other multilingual content services with ease and efficiency. LanguageWire adapts its solutions to customer needs and integrates with customer-specific tech stacks, streamlines, and automates workflows, and ensures all data is protected in a secure infrastructure.

LanguageWire’s solutions are delivered according to ISO 27001, ISO 17100, ISO 9001, ISO 18587, and ISO 13485. Further, LanguageWire is certified by TISAX, which is a strict security standard that certain customers require.

With 15 offices across three continents, over 400 employees, and a network of more than 7,000 language experts, LanguageWire is committed to the worldwide success of its customers.

More information about LanguageWire can be found on the Group’s website at [www.languagewire.com](http://www.languagewire.com).



## Management Review

### *Key highlights in 2022 were:*

- Significantly increased customer satisfaction measured through customer Net Promoter Score (from 50 to 68) based on more than 1,800 responses from customers
- Welcomed more than 65 new customers including several impressive blue-chip logos
- Continued strong employee satisfaction, with an Employee Net Promoter Score (eNPS) of 61
- Acquisition of AWS Group, a Paris-based Language Service Provider delivering services predominantly to the pharmaceutical, manufacturing, and business services sectors. The acquisition strengthens our competitive position in the French market
- Continued significant investments in software development and technology. Machine translation technology has developed rapidly the last five years and LanguageWire has led the vanguard in this field. The lead position was recently acknowledged by the language industry research company CSA, rating LanguageWire no. 1 in Post Edited Machine Translation (PEMT) in the entire industry
- Continued to invest in system resilience and scalability by moving our technology platform into the cloud, which was finalized in 2022
- Subtitling functionality was implemented in our translation management platform enabling a more automated and higher quality solution for our customers and language experts
- In 2022, all four ISO certifications (9001, 17100, 27001 and 18587) were renewed together with the German TISAX certification. Further, ISO 13485 was added to the number of ISO standards in LanguageWire, and we now hold 6 certifications in total. ISO 13485 provides an international standard for quality management in medical device manufacturing and related services which is a clear testament to our Pharma industry vertical
- Signe Winther Poulsen, former VP of Operations Excellence, was promoted to Chief Operations Officer (COO) and joins the leadership team
- Continuing to streamline the legal structure by merging the newly acquired entity in France with our branch office in France (Please see page 11 for our Group Charter)
- Rolled out our Purpose and Values, further explained in the CEO letter below.

With these achievements in 2022, LanguageWire is in a good position to continue our journey of Wiring the World Together with Language in 2023.

# Management Review

## Letter from the CEO

Reflecting on 2022, we have faced many challenges and difficult moments. However, we also have many positive achievements to be proud of.

Foremost, our thoughts and sentiment go to our colleagues in Ukraine. They have been fighting an egregious act of violence imposed by Russia. My deepest sympathies go to our Ukrainian colleagues displaced and attacked across the country.

In addition to the direct impact of the war on our colleagues in Ukraine the war has also impacted LanguageWire indirectly as customers became cautious about their uncertain economic outlook and delayed projects. The macro and geopolitical uncertainty continued throughout the summer and autumn, leading to initiatives in LanguageWire to cope with the lower activity level. We are proud of the way the LanguageWire organization has responded to this economic uncertainty helping our customers through these difficult times and strengthening the bonds between our global teams. During 2022, we have not lost any major customers. On the contrary, we have seen a record conversion of new customers over the last 18 months, which has partly mitigated the drop in activity in the market in general and provides a good foundation together with a record high customer satisfaction for future growth.

In 2022, we have matured as an organization. For example, we introduced LearningWire Academy, an internal training tool where we share best practices across our teams. We also implemented our Values and Purpose into our organization. One of the implementation initiatives was to focus on either one Value or Purpose for an entire month - running various activities across all offices. This has been both great fun and engaging for the teams and videos, pictures, stories, knowledge etc. were shared across the organization to promote and emphasize best practice.

In 2022, we also completed other initiatives that will create the foundation for our continued success into 2023 – including, Dynamic Vendor Pricing, our Platform Cloud Migration, and subtitling functionalities in our technology platform.

We are now at a sustainable level for our business activities and, thus, in a good place moving into 2023. We remain convinced and excited about the long-term strategy of growing organically in our current markets by leveraging the strength of our people, partners, and superior technology. Additionally, we continue to pursue acquisition opportunities to build further international presence and to increase the volumes put through our scalable tech platform. In 2022, we welcomed AWS, now LanguageWire France SAS, as part of the LanguageWire group, which significantly strengthens our foothold in the French market.

I want to thank our more than 400 colleagues for their loyalty and belief in LanguageWire during a challenging year. Furthermore, a special thank you to our customers, freelance translators, other language experts, as well as our partners for the trust you give us – because without you, we could not succeed.

Søren Bech Justesen  
CEO



# Management Review

## Financial performance

The gross profit decreased to DKK 75 million in 2022 (2021: DKK 97 million). Due to the macro and geopolitical environment described above, we did not meet our initial growth expectation in 2022 but we are expecting to return to higher growth in 2023.

## Subsequent events

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

## Outlook

In 2023, we expect an EBITDA before one-off items in the range of DKK 80-110 million. The guidance is based on that business performance, customer and competitor behavior will remain at current levels.

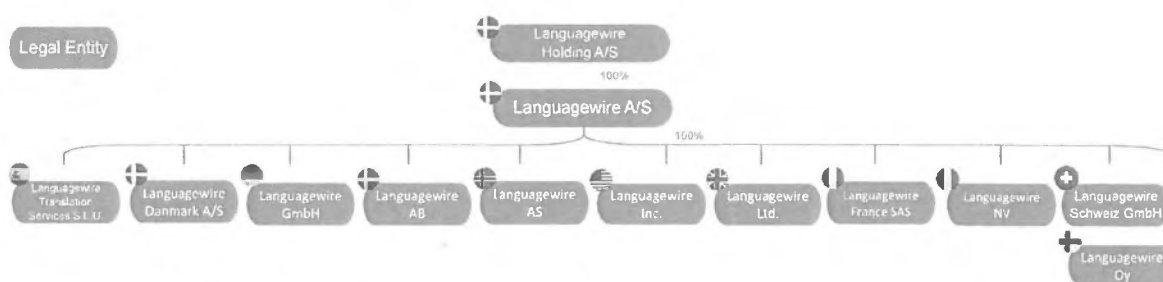
## Management Review

### Group relations

LanguageWire is 100% owned by Languagewire Holding A/S. The owners of the group are funds managed by the international private equity investor Bridgepoint (92%) and Group management (8%).

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

### Group structure



### Country overview

LanguageWire operates from 15 offices in 11 countries, which are Spain, Denmark, Germany, Sweden, the US, the UK, France, Belgium, Switzerland, Ukraine, and Poland.

As of 31 December 2022, LanguageWire had 425 full time employees, which is in line with the end of December 2021. Of these, 350 employees (more than 80%) are located outside of Denmark.

#### *Nordics*

The Nordic region is served by offices in Copenhagen, Aarhus, Stockholm and Varberg. The Nordic region counts 105 FTEs, including the headquarter in Copenhagen.

#### *Germany and Switzerland*

The DACH region is served by offices in Hamburg, Munich and Zürich and count a total of 50 FTEs.

#### *UK*

The region operates out of an office in London with 8 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 office in Paris and Lille. The region employs 38 FTEs.

#### *US*

The US customers are managed from our office in Atlanta, with a total of 5 FTEs.

#### *Spain*

A large part of LanguageWire's operations, technology, and product organization is managed out of Valencia with a total of 187 FTEs.

## Management Review

### Ukraine and Poland

LanguageWire has technology development centers in Kyiv and Gdansk which today count 24 and 8 FTEs respectively.

### Environmental, Social and Governance

One of LanguageWire's values is: "Caring". This value is also incorporated in our caring for the planet, our society, our customers, and our organization. In 2022, we initiated a governance framework around how to work with Environment, Social and Governance (ESG) at LanguageWire. A member of the Board and Group Management participates in the work around the ESG together with three groups represented by employees (one for each of the three ESG areas). As a result, LanguageWire has expanded the number and scope of ESG initiatives, including the number of ESG measurements monitored. For a description of our business model please visit "Primary activities and business model" on page 6.

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

In 2022, LanguageWire was rated by EcoVadis and was awarded a good rating on par with our benchmark. EcoVadis performs an annual sustainability assessment of thousands of companies globally, covering environment, labor and human rights, ethics, and sustainable procurement. The rating illustrates our current maturity level, which we aim to continuously improve going forward.

### Environment

As most services in LanguageWire do not include physical items or production processes, the global environmental footprint is low. Our ambition is to become CO<sub>2</sub> neutral by reducing our footprint to an absolute minimum and offsetting the rest.

Environmental ratios (see p. 20 for explanations)	Unit	2022	2021	2020
Scope 1 - nothing to report	Tons	-	-	-
Scope 2	Tons	106	122	123
Energy consumption from offices	mWh	243	238	266
Share of consumption from renewable sources	%	10	-	-
CO <sub>2</sub> e from offices	Tons	91	102	104
CO <sub>2</sub> e from data centers	Tons	15	20	19
Scope 3	Tons	221	143	146
CO <sub>2</sub> e from business travel*	Tons	133	71	79
CO <sub>2</sub> e from company cars	Tons	48	62	63
CO <sub>2</sub> e from platform in the cloud	Tons	41	10	3
Total CO <sub>2</sub> e	Tons	326	265	269
CO <sub>2</sub> e intensity	Tons per revenue	0.68	0.56	0.62

\*2020 and 2021 based on travel spend as direct emissions is not known

CO<sub>2</sub>e, scope 1: Direct GHG emissions from owned or controlled sources, accounted for according to the GHG Protocol.

CO<sub>2</sub>e, scope 2: Indirect emissions due to purchase of electricity, heat, steam, etc. for use in owned and controlled activities, accounted for using the GHG Protocol.

CO<sub>2</sub>e, 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.

## Management Review

In 2022, LanguageWire continued its efforts to minimize the environmental implications of transportation between the offices by using telephone and video conferencing equipment to the greatest extent possible. In accordance with the efforts to minimize LanguageWire’s environmental footprint, the 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 offices

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

Targets for 2022	Status	Targets for 2023
ESG working group established to revisit environmental ambitions and identify relevant measures	Achieved	Increase the level of renewable energy from our offices to >40%
Identify relevant sustainable development goals (SDGs) to work with	Descoped as we have decided to go in a different direction	

### Our people and Social

Our ambition within this area is to *wire the world together with language – including our people*. We recognize that our people are what makes LanguageWire succeed, and we want them to thrive and succeed. In 2021, we defined our values and purpose, and in 2022 we implemented them internally and shared them externally. 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 four values are visualized as follows:

<p><b>WE ARE CURIOUS</b></p> <p>We are curious, open and never afraid to question the existing in order to innovate the future.</p>	<p><b>WE ARE TRUSTWORTHY</b></p> <p>We believe that all relationships are based on honesty and responsibility.</p>	<p><b>WE ARE CARING</b></p> <p>We care about the wellbeing of the planet, our societies, our customers and each other.</p>	<p><b>WE ARE AMBITIOUS</b></p> <p>We are ambitious, bold and visionary when it comes to solutions, growth, and living our purpose.</p>
---	--	--	--

This also means we are curious about our employees’ engagement, measured in biweekly surveys. The Organizational results are 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.

## Management Review

In 2022 our employee NPS was 61 on par with the level in 2021, which we are very proud of as the result is significantly higher compared to our benchmarking peers.

We acknowledge that as the nature of our workforce changes, we will have to be even more intentional about our culture and cultivating an environment of inclusion, belonging, and flexibility. Therefore, we are operating with a flexible working concept, removing the potential hurdle of coming into the office daily, which can also reduce our environmental footprint. This creates flexibility to pick up kids, care for sick family members, go for a mid-day run to keep energy high, etc. We believe flexibility can result in higher 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 the employee association, PeopleWire, which is the prime driver for social initiatives in LanguageWire. Additionally, the Company supports various physical activities, such as running, yoga, meditation, and cycling events. In the offices, fresh fruit is available throughout the week, and employees participate in communal breakfast on Fridays.

Further, during the implementation of our value “Caring,” multiple offices engaged in socially responsible activities (collecting plastic, blood donation, food donations, etc.) to show care for their local communities.

Below please find some of the key ratios we are measuring with further explanations below:

<b>Social ratios (see p. 20 for explanations)</b>	<b>Unit</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Employees total (avg.)	Heads	424	345	212
Total number of FTEs (avg.)	FTEs	407	331	203
Total employee turnover	%	20.8	19.7	21.6
Gender diversity, all employees	% Women	59	61	66
Gender diversity, leaders	% Women	46	42	47
Gender diversity, BoD	% Women	0%	0%	25%
Employee NPS	NPS	61	62	n/a
Customer NPS	NPS	68	50	51
Vendor NPS	NPS	32	30	23

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. Specifically, the gender distribution within departments is tracked at different levels of the organization. We will continue to work on improving our social areas of focus.

### *Gender diversity*

In 2022, LanguageWire’s gender diversity was 59% women, and LanguageWire’s overall diversity policy is to employ and promote the best and most suitable persons, regardless of gender. This is embedded in the recruitment process of LanguageWire.

## Management Review

As of 31 December, the gender diversity in leadership positions was 46% women. LanguageWire has an ambition that there should be at least 40%, which was fulfilled. The Company will continue to work on achieving a balanced mix of each gender in the recruiting process for management positions.

Pursuant to section 99b of the Danish Financial Statements Act, the Board of Directors set its diversity ambition to have at least two board members of each gender on the Board. The Board did not live up to this ambition in 2022 as it was unable to find suitable candidates. As of 31 December, the Board consists of six people, which are all men. The Board will continue to work on achieving a balanced mix of genders with the aim to have at least one female on the Board by the end of 2023.

Targets for 2022	Status	Targets for 2023
At least two board members of each gender on the Board	Not accomplished	At least one female board member

### **Our customers**

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

In 2022, we had a target of reaching a customer net promoter score (cNPS) of at least 50. We reached 68 and thereby outperformed the target. The score tells us how likely 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 score from our customers.

Target for 2022	Status	Target for 2023
Net promoter score >50	Accomplished	Net promoter score >55

### **Our language experts ('freelance translators or vendors')**

Our external language experts are also a key asset, ensuring quality deliveries across all languages and industry verticals. Therefore, their loyalty and engagement towards LanguageWire are of high importance to us, 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 900 vendors, our Net Promoter Score (NPS) of our external language experts increased to 32 in 2022 (from 30 in 2021), and the Net Effort Score (NES) increased to 48 (from 42). The NPS tells how likely a vendor would recommend working with LanguageWire to a friend or a colleague, whereas the NES tells whether vendors find it easy to work with LanguageWire.

### **Quality**

LanguageWire is known as a trusted partner for many global enterprises by delivering solutions according to best practice processes and delivering them in 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. In 2022, ISO 13485 was added, providing an international standard for quality management in medical device manufacturing and related services, which is a clear commitment to the pharmaceutical industry vertical. Further, LanguageWire is certified by TISAX, a strict security standard that large number of organizations in the automobile sector require.

## Management Review

### Key risks

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

	Risk description	Risk mitigation
<b>Market</b>	<ul style="list-style-type: none"> <li>- Failure to grow business</li> <li>- Price pressure</li> <li>- Market disruption from new entrants</li> </ul>	<ul style="list-style-type: none"> <li>- Close collaboration with customers</li> <li>- Improved technology/services and products</li> </ul>
<b>Product</b>	<ul style="list-style-type: none"> <li>- Platform availability and development</li> </ul>	<ul style="list-style-type: none"> <li>- Business continuity plans</li> <li>- Continuous improvement of our platform</li> </ul>
<b>Cyber security &amp; Technology</b>	<ul style="list-style-type: none"> <li>- Cyber attacks</li> <li>- System breakdown</li> </ul>	<ul style="list-style-type: none"> <li>- IT security installations</li> <li>- Training of employees</li> <li>- External tests and assistance</li> </ul>
<b>Sourcing</b>	<ul style="list-style-type: none"> <li>- Failure to source vendors</li> </ul>	<ul style="list-style-type: none"> <li>- Continue sourcing and close dialogue with our language experts</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>- Failure to attract, develop and retain key employees</li> </ul>	<ul style="list-style-type: none"> <li>- Engagement surveys</li> <li>- Training programs</li> <li>- Living our purpose and values</li> <li>- Employer branding</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>- Credit, debt, currency, and interest risk</li> </ul>	<ul style="list-style-type: none"> <li>- Hedges and continuous monitoring of currency and interest levels</li> <li>- Overdue debt is addressed promptly</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>- Lockdown of society or other geopolitical risks</li> </ul>	<ul style="list-style-type: none"> <li>- Business continuity plan</li> <li>- Ability and flexibility to work from home with good IT setup</li> </ul>

### Market risks

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

### 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 timing of our services, which are controlled by the human element, as well as the Company's technology assets. To manage and mitigate risk, the Company is ISO certified in the ISO 17100 (Translation services), ISO 9001 (Quality management systems), ISO 27001 (Information security management), ISO 18587 (Translation services — post-editing of machine translation output), and our newest addition ISO 13485 (Medical devices) standards. These certifications will provide the highest level of quality assurance in the industry. Further, significant investments are made yearly to maintain and develop our platform.

### Cyber security and technology risks

As a technology company, technology is at the core of all our offerings. High levels of IT security are paramount, and the Company 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.

## Management Review

During 2022, LanguageWire upgraded its internal security installations, improved the training standards of employees, and engaged with an external partner to assist with security assurance.

### 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 new PEMT pricing, the sourcing risk is deemed low.

### People risks

Our employees at LanguageWire are our most important asset. Therefore, there is an inherent risk related to attracting, developing, and retaining the required talent. 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 employee and leader with a focus on professional and personal growth. Furthermore, a new learning management platform has been implemented to secure best practices and knowledge sharing.

### Financial risks

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

The Company's credit risks relate to trade receivables included in the balance sheet. The Company has 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 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, 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. A cap on the interest on part of the loan portfolio has been acquired to partially mitigate the risk.

### Other risks

LanguageWire is exposed to risks in countries where we have a physical presence. Therefore, the Company and management closely monitor geopolitical risks, for example, the current war in Ukraine and other risks, such as the pandemic. Relevant mitigating action plans are prepared and implemented across the affected businesses.

### **Governance**

Our ambition within 'Governance' is to be responsible in all aspects of our business by highlighting LanguageWire's focus on compliance, transparency, and the quality of our business. We will continue working on strengthening our governance.



## Management Review

### 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 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 are already part of our customer dialog 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.

### 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 2022, the Company has not received any complaints in relation to breaches of any human rights.

### Whistle-blower function

LanguageWire has implemented a whistle-blower policy and correspondingly set up a whistle-blower function with 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

The Company 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. The Code of Business Conduct document was not implemented in 2022, as the focus has rather been on upgrading and implementing policies within Anti-Bribery and Corruption, Anti-Money Laundering, Cybersecurity, Health & Safety, Human Rights & Modern Slavery, remuneration and whistle-blower.

## Management Review

Targets for 2022	Status	Targets for 2023
Complete revision of Business Ethics Policy including human rights and complete training of 90% of employees	Accomplished	Adequate framework of policies and processes around business conduct, governance, risk management and internal controls
Code of Business Conduct document	Not accomplished	
Establish Audit Committee	Accomplished	

### 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 GreenStonePlus
Employee turnover:	Heads leaving (excl. heads with a fixed end date) / Average heads
Gender diversity, all employees	% Women heads at year end
Gender diversity, leaders	% Women heads in leadership positions at year end
Gender diversity, BoD	% Women heads in Board at year end
Employee NPS	An average of score in 2022 with participation of all employees
Customer NPS	An average of score in 2022 from more than 1,800 customer replies
Vendor NPS	An average of score in 2022 from more than 900 vendor replies

PENNSTATEUNIVERSITYLIBRARYDIGITALSERVICES

# Management's Review

## The Board of Directors and Executive Management

The CEO is Søren Bech Justesen



The composition of the Board is as follows:

**Jens Albert Harsaae,**  
Chairman



**Johan Dahlfors**



**Martin Janson**



**Oliver Krogh Hallin**



**Gert Sylvest**



**Richard Thompson**



## Management's Review

### The Board of Directors and Executive Management

The Board members hold the following positions:

#### Chairman, Jens Albert Harsaae

##### Chairman

Languagewire Holding A/S  
Languagewire A/S  
PLUS PACK A/S  
INTERNET INTELLIGENCE  
HOUSE NORDIC A/S  
CC Globe Holding I ApS  
CC Globe Holding II A/S  
Group Online A/S  
JumpStory ApS  
Takt A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS

##### Deputy Chairman

CO-RO HOLDING A/S  
CO-RO A/S

##### Board member/CEO

ABACUS MEDICINE A/S  
RAKAAS ApS

#### Johan Dahlfors, Partner at Bridgepoint

##### Chairman

##### Deputy Chairman

##### Board member/CEO

Vitamin Well  
FCG  
Oris Dental  
Languagewire Holding A/S  
Languagewire A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS

**Board member Martin Janson**, Director at Bridgepoint

Chairman

Deputy Chairman

Board member/CEO

Languagewire Holding A/S  
Languagewire A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS  
Vitamin Well

**Board member Oliver Krogh Hallin**, Associate at Bridgepoint

Chairman

Deputy Chairman

Board member/CEO

Languagewire Holding A/S  
Languagewire A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS

**Board member Gert Sylvest**, Co-founder and GM of Small Business and Fintech products at Tradeshift

Chairman

Deputy Chairman

Board member/CEO

Languagewire Holding A/S  
Languagewire A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS  
Tradeshift AB  
Etherware ApS  
Tradeshift ApS

**Board member Richard Thompson**, former CEO and CFO of RWS

Chairman

Deputy Chairman

Board member/CEO

Languagewire Holding A/S  
Languagewire A/S  
Holdingselskabet af 6. august  
ApS  
CC Lingo Invest ApS  
BidCo af 11. august 2021 ApS

## Income statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
<b>Gross profit</b>		<b>74,978</b>	<b>96,944</b>
Staff expenses	1	-34,943	-46,558
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-26,184	-31,462
<b>Profit/loss before financial income and expenses</b>		<b>13,851</b>	<b>18,924</b>
Income from investments in subsidiaries		11,911	9,282
Financial income	3	4,938	1,876
Financial expenses	4	-18,358	-14,628
<b>Profit/loss before tax</b>		<b>12,342</b>	<b>15,454</b>
Tax on profit/loss for the year	5	2,960	1,292
<b>Net profit/loss for the year</b>	6	<b>15,302</b>	<b>16,746</b>

Pfennordbkkumabtbtgtjfe9886786NVZ0840MFOEFANXVTRZ-86XDE0MZEFT

## Balance sheet 31 December

### Assets

	Note	2022 TDKK	2021 TDKK
Completed development projects		71,742	50,959
Acquired other similar rights		37,985	54,962
Development projects in progress		19,059	14,450
<b>Intangible assets</b>	7	<u>128,786</u>	<u>120,371</u>
Other fixtures and fittings, tools and equipment		842	1,047
<b>Property, plant and equipment</b>	8	<u>842</u>	<u>1,047</u>
Investments in subsidiaries	9	195,859	130,010
<b>Fixed asset investments</b>		<u>195,859</u>	<u>130,010</u>
<b>Fixed assets</b>		<u>325,487</u>	<u>251,428</u>
Contract work in progress	10	20,800	15,397
Receivables from group enterprises		11,525	86,370
Other receivables	11	1,582	328
Prepayments	12	1,505	1,042
<b>Receivables</b>		<u>35,412</u>	<u>103,137</u>
Cash at bank and in hand		<u>0</u>	<u>2,855</u>
<b>Current assets</b>		<u>35,412</u>	<u>105,992</u>
<b>Assets</b>		<u>360,899</u>	<u>357,420</u>

P/E/n/e/e/a/d/b/k/a/m/e/t/t/t/g/f/i/e/0/5/5/2/8/0/V/Z/Q/B-4/4/FQ/5/F-A/S/O/T/R/2-4/6/5/D/L/O/V/2/2/P/T

## Balance sheet 31 December

### Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital		500	500
Reserve for development costs		70,825	51,019
Reserve for hedging transactions		1,134	0
Retained earnings		-31,110	-21,849
<b>Equity</b>		<b>41,349</b>	<b>29,670</b>
Provision for deferred tax	13	13,363	15,732
<b>Provisions</b>		<b>13,363</b>	<b>15,732</b>
Credit institutions		239,948	191,517
<b>Long-term debt</b>	14	<b>239,948</b>	<b>191,517</b>
Credit institutions	14	27,787	10,661
Trade payables		21,111	21,738
Payables to group enterprises		0	58,370
Other payables	11	17,341	29,732
<b>Short-term debt</b>		<b>66,239</b>	<b>120,501</b>
<b>Debt</b>		<b>306,187</b>	<b>312,018</b>
<b>Liabilities and equity</b>		<b>360,899</b>	<b>357,420</b>
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Accounting Policies	17		







## Notes to the Financial Statements

### 7. Intangible fixed assets

	Completed development projects	Acquired other similar rights	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	72,823	89,378	14,450
Additions for the year	3,775	0	30,513
Transfers for the year	25,904	0	-25,904
Cost at 31 December	<u>102,502</u>	<u>89,378</u>	<u>19,059</u>
Impairment losses and amortisation at 1 January	21,864	34,416	0
Amortisation for the year	8,896	16,977	0
Impairment losses and amortisation at 31 December	<u>30,760</u>	<u>51,393</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<u><b>71,742</b></u>	<u><b>37,985</b></u>	<u><b>19,059</b></u>

#### Machine Translation rollout:

LanguageWire continued to improve the quality and efficiency of its machine translation engines, broadening the available language pairs and further optimizing its Post Edit Machine Translation (PEMT) offering. Several new Machine Translations services were introduced e.g., a Public MT API, an Edge Plugin for LanguageWire Translate and Dictionary support within LanguageWire Translate.

#### The LanguageWire Ecosystem and Platform:

In 2022, the entire LanguageWire Ecosystem was fully migrated into a managed cloud setup and major new functionalities were added such as Video Subtitling services, improved data lifecycle management and our In-Layout Editor was fully integrated into our platform.

#### Connectors and Public API:

LanguageWire has continued its focus on Connectors in 2022 with the development of several new versions and upgrades and improvements to many more. In addition, a new public API was released in the year and a connected Developer Portal was finalised ready for release in 2023.

#### Translation Management Service (TMS):

This year new tooling has been introduced to improve the efficiency of the translation service and provide a smoother and more automated process. These features will enable customers to do more work on the platform using translation management self-service tools.

## Notes to the Financial Statements

### 8. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	4,159
Additions for the year	181
Cost at 31 December	<u>4,340</u>
Impairment losses and depreciation at 1 January	3,112
Depreciation for the year	386
Impairment losses and depreciation at 31 December	<u>3,498</u>
Carrying amount at 31 December	<u>842</u>

P/Eense@d/bkumestttogjpe@BSEDBO-VZQ/B-BAFQEF-ASXNPK-BSGS/DLGM/QZFTT





## Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>13. Provision for deferred tax</b>		
Deferred tax liabilities at 1 January	15,732	0
Amounts recognised in the income statement for the year	-2,369	5,009
Amounts recognised in equity for the year	0	10,723
<b>Deferred tax liabilities at 31 December</b>	<b>13,363</b>	<b>15,732</b>

## 14. 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:

	2022	2021
	TDKK	TDKK
<b>Credit institutions</b>		
After 5 years	163,688	137,333
Between 1 and 5 years	76,260	54,184
<b>Long-term part</b>	<b>239,948</b>	<b>191,517</b>
Within 1 year	27,427	4,233
Other short-term debt to credit institutions	360	6,428
<b>Short-term part</b>	<b>27,787</b>	<b>10,661</b>
	<b>267,735</b>	<b>202,178</b>

	2022	2021
	TDKK	TDKK
<b>15. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Liabilities under rental or lease agreements until maturity in total	1,195	1,187

## Notes to the Financial Statements

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Holdingselskabet af 6. august ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

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 Company and the subsidiaries. The Holding Company has provided guarantee of payments for all amounts owed to Nordea Bank by the Company and the subsidiaries.

### 16. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
LanguageWire Holding A/S	Smallest group
Holdingselskabet af 6. august ApS (largest group)	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.

#### Consolidated Financial Statements

The company is included in the consolidated report for the parent company:

<u>Name</u>	<u>Place of registered office</u>
Holdingselskabet af 6. august ApS (Largest group)	Frederiksberg
LanguageWire Holding A/S (Smallest group)	Frederiksberg

# Notes to the Financial Statements

## 17. Accounting policies

The Annual Report of Languagewire A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Holdingselskabet af 6. august ApS, the Company has not prepared consolidated financial statements.

### 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.

### Leases

Leases in terms of which the Company 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 Company.

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. 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.

## 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 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.

### Income statement

#### Net sales

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

#### Cost of goods sold

Costs of external translation consultants or all other direct cost consumed to achieve revenue for the year.

#### Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

#### Other external expenses

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

#### Gross profit

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

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### 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

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

# Notes to the Financial Statements

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

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

The Company is jointly taxed with Holdingselskabet af 6. august ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Intangible assets consist of development projects and acquired customer relations.

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover 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.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

Development costs and intellectual property 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 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	3-5 years
--	-----------

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 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 recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

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

## 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 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.

## Notes to the Financial Statements

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.

### 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 debts

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.

## Financial Highlights

### Explanation of financial ratios

Return on equity

Net profit for the year x 100 / Average equity

Equity ratio

Equity x 100 / Total assets

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## JOHAN DAHLFORS

Bestyrelsesmedlem

Serial number: 19741008xxxx

IP: 163.116.xxx.xxx

2023-03-03 20:50:19 UTC



## Jens Albert Harsaae

Bestyrelsesformand

Serial number: 4868b1d1-329c-4acd-a9af-92c03f040903

IP: 46.246.xxx.xxx

2023-03-03 22:53:01 UTC



## Richard Thompson

Bestyrelsesmedlem

Serial number: richard.j.thompson@hotmail.co.uk

IP: 86.175.xxx.xxx

2023-03-04 09:12:17 UTC

## Søren Bech Justesen

CEO

On behalf of: LanguageWire Group

Serial number: 20602c15-ec3e-482f-acff-ccd7817c317c

IP: 80.162.xxx.xxx

2023-03-04 09:16:24 UTC



## OLIVER KROGH HALLIN

Bestyrelsesmedlem

Serial number: 19890224xxxx

IP: 163.116.xxx.xxx

2023-03-04 10:45:23 UTC



## MARTIN JANSON

Bestyrelsesmedlem

Serial number: 19850811xxxx

IP: 163.116.xxx.xxx

2023-03-06 08:06:39 UTC



## Gert Sylvest

Bestyrelsesmedlem

Serial number: 44bfc702-c1ac-417f-bb86-d3ea87d41d54

IP: 80.71.xxx.xxx

2023-03-06 12:24:06 UTC



## Mads Lundemann

Statsautoriseret revisor

Serial number: CVR:33771231-RID:75411377

IP: 83.136.xxx.xxx

2023-03-06 13:18:51 UTC



Penneo.com document ID: 08E2F6-5UXTR4Q-BN6LUD-7M2PFT

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Thomas Baunkjær Andersen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: PID:9208-2002-2-322655796511

IP: 83.136.xxx.xxx

2023-03-07 14:26:31 UTC

NEM ID 

Penneo.com document nb by 4a: 08Y 5D8B-VZ0EB-044E9G-BLX7FQ-BG6UDJ-D-FFCPFT

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

# ΠΕΝΝΕΟ

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

**Søren Bech Justesen**

Chairman of the general meeting

Serial number: 20602c15-ec3e-482f-acff-ccd7817c317c

IP: 77.66.xxx.xxx

2023-03-23 15:02:58 UTC



Penneo document key: 0NSDB-NVCTB-04FOG-NXTYQ-NGVUL-MQFFT

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

#### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>