Northern Partners Group ApS

Hovedvagtsgade 6, 1., 1103 København K

CVR no. 41 79 90 05

Annual report 2023/24

Approved at the Company's annual general meeting on 20 December 2024

Chair of the meeting:

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Martin Georg Rode

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Contents

Statement by the Executive Board 2

Independent auditor's report 3

Management's review 5

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024 11

- Income statement 11
- Balance sheet 12
- Statement of changes in equity 14
- Cash flow statement 15
- Notes to the financial statements 16

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Northern Partners Group ApS for the financial year 1 July 2023 - 30 June 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

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 Company at 30 June 2024 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 20 December 2024
Executive Board:

Martin Georg Rode	Anja Hagen	Peter Ulrik Rasmussen

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Independent auditor's report

To the shareholders of Northern Partners Group ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Northern Partners Group ApS for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 30 June 2024, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Independent auditor's report

- 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 20 December 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen
State Authorised Public Accountant
mne28603

Jacob Thøgersen
State Authorised Public Accountant
mne49102

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Management's review

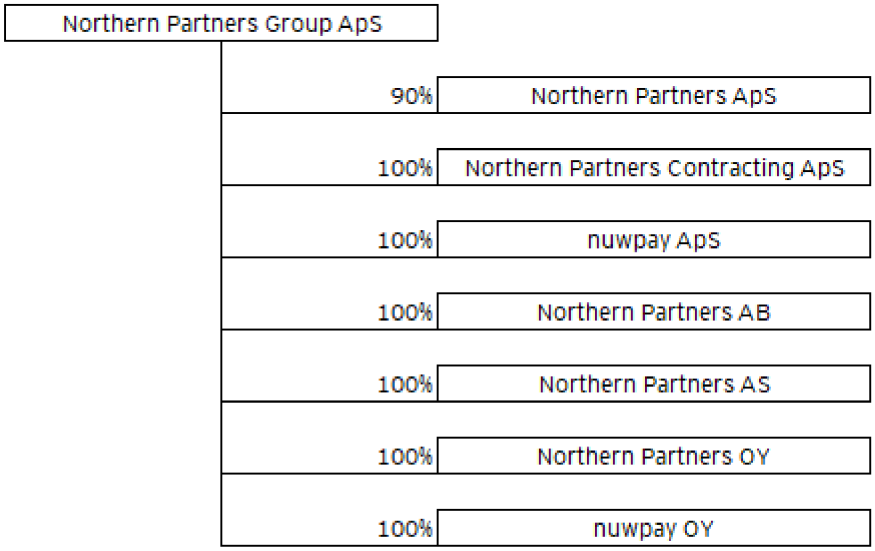
Company details

Name	Northern Partners Group ApS
Address, Postal code, City	Hovedvagtsgade 6, 1., 1103 København K
CVR no.	41 79 90 05
Established	15 October 2020
Registered office	København
Financial year	1 July 2023 - 30 June 2024
Executive Board	Martin Georg Rode Anja Hagen Peter Ulrik Rasmussen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

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Management's review

Group chart



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Management's review

Financial highlights for the Group

DKK'000	2023/24	2022/23	2021/22
Key figures			
Revenue	530,260	451,153	240,708
Gross profit	469,680	395,479	202,807
Operating profit/loss	4,934	4,576	3,810
Net financials	216	-232	-111
Profit for the year	3,888	3,070	2,879
Total assets	61,194	48,382	54,322
Equity	7,826	5,470	2,567
Cash flows from operating activities	12,543	-1,726	9,907
Net cash flows from investing activities	198	-55	-285
Cash flows from financing activities	-1,537	-190	0
Total cash flows	11,204	-1,971	9,622
Financial ratios			
Operating margin	0.9%	1.0%	1.6%
Gross margin	88.6%	87.7%	84.3%
EBITDA-margin	0.9%	1.0%	1.6%
Return on assets	9.0%	8.9%	7.0%
Current ratio	116.4%	114.4%	105.1%
Equity ratio	12.1%	10.4%	4.3%
Return on equity	56.6%	73.0%	114.1%
Average number of full-time employees	**445**	**401**	**189**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

There have been no investments in property, plant and equipment in the last 3 years.

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Management's review

Business review

Our company provides comprehensive compliance solutions for businesses looking to hire temporary workers in the Nordics. The main activity is employer of record (EOR) services for business in the Nordic region.

Unusual matters having affected the financial statements

There have been no unusual circumstances affecting recognition or measurement in the past year.

Financial review

The income statement for 2023/24 shows a profit of DKK 3,888 thousand against a profit of DKK 3,070 thousand last year, and the balance sheet at 30 June 2024 shows equity of DKK 7,826 thousand.

The result is considered satisfactory.

In the year, the company have purchased own shares, nominally 13,000. Please refer to note 13 for additional information.

Profit/loss for the year compared to previously announced expectations

In the financial statements for 2022/23, management expected an increase in gross profit of 15-18%. The actual increase in gross profit amounts to 19%.

The financial results are slightly higher than expected due to steady growth in our client base and an increase in the demand for our services. This growth has been driven by an increasing demand for skilled labor in the Nordics and success in gaining market share .

In the financial statements 2022/23, management expected the result before tax to decrease by 5-10%. The actual increase in profit before tax amounts to 19% and is higher than expected due to the higher-than-expected activity level.

Financial risks and use of financial instruments

The Group has a positive net cash flow from operations, acting as the main source of funding.

The Group is exposed to currency fluctuations as a result of its regular operations. The primary currency traded is EUR. The Group is to a lesser extent exposed to NOK, SEK, GBP, and USD. The Group uses currency hedging where deemed necessary.

Statutory CSR report

We run our business and pursue our goals with our customer's, employee's and society's best interests at heart.

Professionalism, transparency and integrity are core values and reflect the position we take, ensuring tax and legal compliance for the people and companies we serve.

Human rights

We believe upholding human rights is fundamental. We draw our understanding of these rights from the Universal Declaration of Human Rights, its related treaties and declarations, and the broader ethical reasoning behind their development.

The potential risks of human rights violations in our supply chain are considered minimal. We consume software and hosting services and purchase office supplies.

To reduce the risks, we choose suppliers in countries with well-established legislation and institutions protecting civil and workers' rights. This includes choosing a storage location of our data in the EU.

We choose business partners that share our values and are dedicated to upholding worker's rights, labor laws and help prevent child labor, human trafficking and slavery.

This is enforced by sourcing office supplies and similar from suppliers with well-defined CSR policies.

As a member of Danish Industry (Dansk Industri) we have committed ourselves to adhering to industry standards for workers' rights.

There have been no incidents regarding human rights violations in the financial year.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Management's review

We will reassess the risk on a regular basis to evaluate the need for further processes, procedures or audits.

Social and employee relations

We understand the importance of work-life balance and support flexible work arrangements when possible, enabling our employees to manage their professional responsibilities while attending to personal commitments.

As a growth company we need to be extra diligent in ensuring an even distribution of workloads and ensuring proper training for new staff.

We strive to create an attractive workplace characterized by mutual respect and work-life balance. We monitor employee well-being via our annual APV. The last APV was performed in Q4 2023 and showed a satisfactory score. The next APV will take place in Q4 2024.

Environmental impact

As a service provider we have a relatively small environmental impact. Our biggest impact is travel.

To minimize our carbon footprint, we encourage online meetings. Should physical presence be necessary travel by train or electric vehicle is encouraged.

Company cars must be electric. During the financial year, company cars have been changed to electric.

Our environmental footprint is expected to remain small in the coming years.

Anti-money laundering & anti-corruption

Inadequate due diligence and monitoring of third-party business partners, suppliers, and intermediaries pose a risk of association with entities engaged in corrupt practices, posing legal and reputational risks.

We maintain a zero-tolerance stance against any form of corruption, including bribery, extortion, kickbacks, and facilitation payments, and prohibit engagement in such activities by employees or associates.

Our KYC procedures ensure that we collect and verify necessary information about our customers to prevent fraud and money laundering. We regularly update our customer data and conduct risk assessments to ensure we always have a clear picture of our customers' activities.

Our anti-bribery and anti-corruption efforts are centered around code-of-conducts providing clear guidance and definitions for employees and business partners on handling related issues.

In the financial year, no instances or allegations of corruption, bribery, or unethical behavior were reported or identified within our organization.

In the future, we aim to improve our KYC and anti-corruption efforts by further integrating policies into our systems and processes.

Report on the gender composition of Management

We are committed to fostering an inclusive workplace culture that ensures equal opportunities for both genders. We strive to achieve gender balance across all levels of management, with a goal to increase the representation of the underrepresented gender.

Overview

	2023/24	2022/23	2021/22	2020/21
Supreme governing body				
Total number of members	2	3	3	3
Underrepresented gender in %	50	33	33	33
Target figure in %	33	33	33	33
Year in which the target figure is expected to be met	2025			

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Management's review

Supreme governing body

Supreme governing body includes partners and directors.

The reporting is based on management composition as of 30 June 2024. A man has subsequently joined the executive board, hence the target figure have been acomplished after the financial year.

Other levels of management

The Parent Company has less than 50 employees, and thus no information is provided about the composition of the other management.

Data ethics

As part of our main line of business we are trusted by our customers with their sensitive and in many cases personally identifiable data. Data ethics and security are hence at the core of our business.

We only collect and store data necessary to perform our services. We do not engage in business models where we profit from insights derived from our customers' data.

Data storage is outsourced to carefully selected suppliers with data centers in the EU and documented track records and policies for data security.

Throughout the accounting year, we have focused on documenting GDPR policies and procedures, as well as identifying risks and areas for improvement. This marks the initial steps in our strategic effort to obtain ISO certification, demonstrating our commitment to maintaining the highest standards of data protection, ethics, and compliance.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

We anticipate continued growth across markets in the coming year, driven by increasing demand for flexible workforce and compliance solutions in the region. Our goal is to not only grow with the market but expand our market share and take the position as the leading compliance solution provider for companies hiring skilled temporary workers in the Nordics.

Profits are, however, expected to be impacted by additional investment in our continued digitalization efforts. The expected net profit after tax is between 3 and 6 mDKK .

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Income statement

Note	DKK'000	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
3	**Revenue**	530,260	451,153	15,777	13,917
	Cost of sales	-53,634	-52,523	0	0
4	Other external expenses	-6,946	-3,151	-4,059	-3,907
	Gross profit	469,680	395,479	11,718	10,010
5	Staff costs	-464,746	-390,903	-11,569	-9,545
	Profit before net financials	4,934	4,576	149	465
	Income from investments in group enterprises	0	0	3,396	1,710
6	Financial income	574	30	17	0
7	Financial expenses	-358	-262	-147	-142
	Profit before tax	5,150	4,344	3,415	2,033
8	Tax for the year	-1,262	-1,274	-84	-73
	Profit for the year	3,888	3,070	3,331	1,960
	Specification of the Group's results of operations:				
	Shareholders in Northern Partners Group ApS	3,522	2,687		
	Non-controlling interests	366	383		
		3,888	3,070		

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Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Balance sheet

Note	DKK'000	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
	ASSETS				
	Fixed assets				
10	**Investments**				
	Investments in group entities	0	0	2,326	2,359
	Deposits, investments	443	641	0	0
		443	641	2,326	2,359
	Total fixed assets	443	641	2,326	2,359
	Non-fixed assets				
	Receivables				
	Trade receivables	38,556	34,485	0	0
	Receivables from group entities	0	0	3,429	5,643
	Other receivables	696	3,895	0	30
11	Prepayments	1,359	425	191	291
		40,611	38,805	3,620	5,964
	Cash	20,140	8,936	1,069	771
	Total non-fixed assets	60,751	47,741	4,689	6,735
	TOTAL ASSETS	61,194	48,382	7,015	9,094

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Balance sheet

Note	DKK'000	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	100	100	100	100
	Retained earnings	3,198	4,938	7	1,943
	Dividend proposed	4,100	0	4,100	0
	Shareholders in Northern Partners Group ApS' share of equity	7,398	5,038	4,207	2,043
	Non-controlling interests	428	432	0	0
	Total equity	7,826	5,470	4,207	2,043
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Corporate income tax payable	1,166	1,170	84	73
		1,166	1,170	84	73
	Current liabilities other than provisions				
	Trade payables	9,092	5,190	583	623
	Payables to group entities	0	0	0	4,351
	Corporation tax payable	149	788	0	1
	Other payables	42,961	35,764	2,141	2,003
		52,202	41,742	2,724	6,978
	Total liabilities other than provisions	53,368	42,912	2,808	7,051
	TOTAL EQUITY AND LIABILITIES	61,194	48,382	7,015	9,094

1 Accounting policies
2 Events after the balance sheet date
9 Appropriation of profit
13 Treasury shares
15 Contractual obligations and contingencies, etc.
16 Security and collateral
17 Related parties

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Statement of changes in equity

Note	DKK'000	Group					
		Share capital	Retained earnings	Dividend proposed	Total	Non-controlling interests	Total equity
	Equity at 1 July 2023	100	4,938	0	5,038	432	5,470
	Transfer through appropriation of profit	0	-578	4,100	3,522	366	3,888
	Adjustment of investments through forreign exchange adjustments	0	5	0	5	0	5
	Purchase of treasury shares	0	-1,167	0	-1,167	0	-1,167
	Dividend distributed	0	0	0	0	-370	-370
	Equity at 30 June 2024	100	3,198	4,100	7,398	428	7,826

Note	DKK'000	Parent company			
		Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 July 2023	100	1,943	0	2,043
9	Transfer, see "Appropriation of profit"	0	-769	4,100	3,331
	Purchase of treasury shares	0	-1,167	0	-1,167
	Equity at 30 June 2024	100	7	4,100	4,207

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Cash flow statement

Note	DKK'000	Group 2023/24	Group 2022/23
	Profit for the year	3,888	3,070
18	Adjustments	1,047	1,495
	Cash generated from operations (operating activities)	4,935	4,565
19	Changes in working capital	9,297	-6,059
	Cash generated from operations (operating activities)	14,232	-1,494
	Interest received, etc.	573	30
	Interest paid, etc.	-358	-262
	Income taxes paid	-1,904	0
	Cash flows from operating activities	12,543	-1,726
	Additions of financial instruments	0	-55
	Disposals of financial instruments	198	0
	Cash flows to investing activities	198	-55
	Dividends paid	-370	-190
	Acquisition of treasury shares	-1,167	0
	Cash flows from financing activities	-1,537	-190
	Net cash flow	11,204	-1,971
	Cash and cash equivalents at 1 July	8,936	10,907
	Cash and cash equivalents at 30 June	20,140	8,936

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies

The annual report of Northern Partners Group ApS for 2023/24 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

During the year, the company changed its accounting class from class C medium to accounting class C large. Change of accounting class has not affected profit before and after tax, total assets or equity. The change has only resulted in additional note disclosure.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of services used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits, investments

Deposits comprises rent deposits.

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash balances.

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

	Group		Parent company	
DKK'000	2023/24	2022/23	2023/24	2022/23

3 Segment information

Breakdown of revenue by geographical segment:

Denmark	480,846	402,845	14,416	11,377
Other	49,414	48,308	1,361	2,540
	530,260	451,153	15,777	13,917

Group

Northern Partners operates exclusively within a single business segment, providing Employer of Record Management across the Nordic countries. Our activities are fully focused on this unified service offering, which is why no segment information is presented in the financial statements, as all our operations are consolidated into one business segment.

Parent company

The Parent Companys revenue consists only of management fee to group entities.

	Group	
DKK'000	2023/24	2022/23

4 Fee to the auditors appointed in general meeting

Total fees to EY	1,170	529
Statutory audit	614	
Tax assistance	158	
Other assistance	398	
	1,170	

	Group		Parent company	
DKK'000	2023/24	2022/23	2023/24	2022/23

5 Staff costs

Wages/salaries	440,809	375,688	9,577	7,791
Pensions	10,243	9,335	841	691
Other social security costs	8,611	1,884	66	57
Other staff costs	5,083	3,996	1,085	1,006
	464,746	390,903	11,569	9,545
Average number of full-time employees	445	401	19	17

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

Remuneration to members of Management:

	Group		Parent company	
DKK'000	2023/24	2022/23	2023/24	2022/23
Executive Board	2,821	2,111	18	35
	2,821	2,111	18	35

6	**Financial income**				
	Other financial income	574	30	17	0
		574	30	17	0
7	**Financial expenses**				
	Interest expenses, group entities	0	0	104	124
	Other financial expenses	358	262	43	18
		358	262	147	142
8	**Tax for the year**				
	Estimated tax charge for the year	1,262	1,268	84	73
	Tax adjustments, prior years	0	6	0	0
		1,262	1,274	84	73

		Parent company	
	DKK'000	2023/24	2022/23
9	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	4,100	0
	Retained earnings/accumulated loss	-769	1,960
		3,331	1,960

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

10 Investments

	Group
DKK'000	Deposits, investments
Cost at 1 July 2023	641
Disposals	-198
Cost at 30 June 2024	443
Carrying amount at 30 June 2024	443

	Parent company
DKK'000	Investments in group entities
Cost at 1 July 2023	2,359
Disposals	-33
Cost at 30 June 2024	2,326
Carrying amount at 30 June 2024	2,326

The financial statements for Northern Partners OY and Northern Partners AS have not yet been approved for the year 2023/24, as to why the below financial figures represent 2022/23 amounts.

Parent company

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Northern Partners ApS	Denmark	90.00%	4,277	3,685
Northern Partners Contracting ApS	Denmark	100.00%	450	327
nuwpay ApS	Denmark	100.00%	57	2
Northern Partners AB	Sweden	100.00%	902	145
Northern Partners AS	Norway	100.00%	43	228
Northern Partners OY	Finland	100.00%	428	383
nuwpay OY	Finland	100.00%	-9	-2

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years thousand DKK 1,359 (2022/23: thousand DKK 425).

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

12 Share capital

The parent's share capital has remained DKK 100 thousand over the past 4 years.

13 Treasury shares

Group

Treasury shares in the group

	Number	Nominal value	Share of capital
		DKK'000	
Treasury shares at 30 June 2024	13,000	13	13.00%

Parent company

	Number	Nominal value	Share of capital	Purchase/ sales sum
		DKK'000		DKK'000
Purchased in the year	13,000	13	13.00%	1,167
Balance at 30 June 2024	13,000	13	13.00%	

The Company have purchased own shares in connection with termination of a partner. The shares are expected to be sold within a few years to current shareholders or employees.

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 30/6 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Corporate income tax payable	1,166	0	1,166	0
	1,166	0	1,166	0

	Parent company			
DKK'000	Total debt at 30/6 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Corporate income tax payable	84	0	84	0
	84	0	84	0

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2023/24	2022/23	2023/24	2022/23
Rent and lease liabilities	2,128	2,067	136	0

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes falling due for payment in the group of jointly taxed entities.

16 Security and collateral

Group

The group has not provided any security or other collateral in assets at 30 June 2024.

Parent company

Northern Partners Group ApS have provided a letter of support for Northern Partners AB for a period until 31 December 2025.

The parent company has not provided any security or other collateral in assets at 30 June 2024.

17 Related parties

Parent company

Transactions with related parties

Sale of services to related parties: Thousand 15,777 DKK
Purchase of services from related parties: Thousand 1,360 DKK
Received dividend from subsidaries: Thousand 3,430 DKK

Interest paid to related parties are disclosed in note 7.
Receivables from and payables to group companies are disclosed in the balance sheet.

Penneo document key: XZV73-UFQUE-IAGQE-5M3GN-4IOGM-DJ403

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

		Group	
	DKK'000	2023/24	2022/23
18	**Adjustments**		
	Financial income	-573	-30
	Financial expenses	358	262
	Tax for the year	1,262	1,263
		1,047	1,495
19	**Changes in working capital**		
	Change in receivables	-1,804	3,998
	Change in trade and other payables	11,097	-9,925
	Other changes in working capital	4	-132
		9,297	-6,059

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

Anja Hagen
Executive Board
On behalf of: The company
Serial number: 43f7bc35-7446-421d-ba48-5d7498dd1f4e
IP: 152.115.xxx.xxx
2024-12-20 13:56:52 UTC

Martin Georg Rode
Northern Partners Group ApS CVR: 41799005
Executive Board
On behalf of: The company
Serial number: 93f042f3-e60d-4299-9b79-3aef94b024ef
IP: 152.115.xxx.xxx
2024-12-20 13:57:17 UTC

Martin Georg Rode
Northern Partners Group ApS CVR: 41799005
Chair of the meeting
On behalf of: The company
Serial number: 93f042f3-e60d-4299-9b79-3aef94b024ef
IP: 152.115.xxx.xxx
2024-12-20 13:57:17 UTC

Peter Ulrik Rasmussen
Executive Board
On behalf of: The company
Serial number: a8e1f6e8-0b79-42fc-933b-9e9433d90c1f
IP: 152.115.xxx.xxx
2024-12-20 14:04:07 UTC

Mogens Keldbo Andreasen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: a36e9a53-4273-460c-9aeb-8e2738b76f52
IP: 165.225.xxx.xxx
2024-12-20 14:09:05 UTC

Jacob Thøgersen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 3f7e7a95-7db4-4f43-aaa3-02184bcbd0b4
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