

Forsikringens Datacenter A/S

c/o FDC
Lautrupvang 12
2750 Ballerup
Denmark

CVR no. 10 31 76 30

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

28 February 2023

Birthe Elkjær

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Forsikringens Datacenter A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Ballerup, 28 February 2023
Executive Board:

Michael Engelbredt
Knudsen

Board of Directors:

Birthe Elkjær
Chairman

Frank Høst Meyer

Lucas de Ponte

Mikko Johannes Marttinen

Leif Bjarne Hansen

Independent auditor's report

To the shareholder of Forsikringens Datacenter A/S

Opinion

We have audited the financial statements of Forsikringens Datacenter A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

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.

Management's responsibility 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 that 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.

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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

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 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.

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, 28 February 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

Forsikringens Datacenter A/S
Annual report 2022
CVR no. 10 31 76 30

Management's review

Company details

Forsikringens Datacenter A/S
c/o FDC
Lautrupvang 12
2750 Ballerup
Denmark

Telephone: +45 44 65 45 00
Fax: +45 44 65 48 84
Website: www.fdc.dk
E-mail: info@fdc.dk

CVR no.: 10 31 76 30
Established: 1 July 1986
Registered office: Ballerup
Financial year: 1 January – 31 December

Board of Directors

Birthe Elkjær, Chairman
Frank Høst Meyer
Lucas de Ponte
Mikko Johannes Marttinen
Leif Bjarne Hansen

Executive Board

Michael Engelbrecht Knudsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	148,741	195,401	209,691	201,038	201,721
Operating profit/loss	87,854	103,042	99,660	61,876	30,913
Profit/loss from financial income and expenses	-2,890	231	-1,808	-1,154	-796
Profit for the year	66,268	81,762	75,033	47,317	21,866
Balance sheet					
Total assets	94,766	143,158	154,157	123,056	102,286
Equity	73,888	89,320	82,558	54,525	29,086
Investment in property, plant and equipment	0	0	0	-967	0
Ratios					
Return on equity	81.21%	95.14%	109.47%	113.18%	42.65%
Solvency ratio	77.97%	62.39%	53.55%	44.34%	31.28%

The financial ratios have been calculated as follows:

Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$

Management's review

Operating review

Principal activities

FDC offers three business models:

- Policy Administration system for both the Insurance and Life & Pension industry based on our own application F2100.
- Large scale operations, delivered at Saas (Software as a Service), on one common IT platform.
- Part of our SaaS solution is Application Management of F2100 and customer specific solution & operation.

FDC's role is to provide solutions that lower customer's costs by utilising technology and standard applications and to build a bridge between our customer and the insured, hence retaining and providing new engagements.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 66,268 thousand as against DKK 81,762 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 73,888 thousand as against DKK 89,320 thousand at 31 December 2021.

Knowledge resources

FDC's domain knowledge in the insurance and pension industry is vital for designing and delivering solutions. We continue to recruit and train people to ensure our long-term commitment in delivery.

Outlook

Management expects in 2023 to reach a satisfying result at a lower level than 2022.

In 2022 Denmark, and the rest of the world, has been significantly affected by the war in Ukraine. The Company's activities and services has not been significantly affected by the situation.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	2021
Gross profit		148,741	195,401
Staff costs	2	-60,731	-92,092
Depreciation, amortisation and impairment losses		-156	-267
Profit before financial income and expenses		87,854	103,042
Other financial income	3	2,950	1,118
Other financial expenses	4	-5,840	-887
Profit before tax		84,964	103,273
Tax on profit for the year	5	-18,696	-21,511
Profit for the year	6	66,268	81,762

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	7	60	97
Leasehold improvements		119	238
		<u>179</u>	<u>335</u>
Investments			
Receivables from group entities	8	0	27,138
Other securities and equity investments		60	60
		<u>60</u>	<u>27,198</u>
Total fixed assets		<u>239</u>	<u>27,533</u>
Current assets			
Receivables			
Trade receivables		18,356	20,611
Receivables from group entities		0	1,051
Other receivables		531	69
Deferred tax asset	9	1,536	3,692
Prepayments	10	12,452	12,934
		<u>32,875</u>	<u>38,357</u>
Cash at bank and in hand		<u>61,652</u>	<u>77,268</u>
Total current assets		<u>94,527</u>	<u>115,625</u>
TOTAL ASSETS		<u><u>94,766</u></u>	<u><u>143,158</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	3,000	3,000
Retained earnings		4,888	4,620
Proposed dividends for the financial year		<u>66,000</u>	<u>81,700</u>
Total equity		<u>73,888</u>	<u>89,320</u>
Liabilities			
Current liabilities			
Prepayments received from customers		1,031	1,011
Trade payables		5,437	4,963
Payables to group entities		897	1,942
Corporation tax		2,679	14,096
Other payables		<u>10,834</u>	<u>31,826</u>
		<u>20,878</u>	<u>53,838</u>
Total liabilities		<u>20,878</u>	<u>53,838</u>
TOTAL EQUITY AND LIABILITIES		<u>94,766</u>	<u>143,158</u>
Contractual obligations, contingencies, etc.	12		
Related party disclosures	13		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	3,000	4,620	81,700	89,320
Ordinary dividends paid	0	0	-81,700	-81,700
Transferred over the profit appropriation	0	268	66,000	66,268
Equity at 31 December 2022	3,000	4,888	66,000	73,888

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Forsikringens Datacenter A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Topicus.com Coöperatief U.A.

Reporting currency

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

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Which is an aggregation of revenue, cost of sales and other external expenses.

Revenue

Income from the rendering of services, which comprises IT operation and development, is recognised as revenue when the services are rendered.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Production costs comprise costs for acquisition and rent of hardware and software as well as for raw materials and consumables, etc. Production costs include amortisation of development projects in progress that are connected to ongoing contracts with customers.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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.

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.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

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.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured at the tax rate applicable at the expected time of realisation. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2022</u>	<u>2021</u>
2 Staff costs		
Wages and salaries	52,535	80,641
Pensions	8,052	11,254
Other social security costs	<u>144</u>	<u>197</u>
	<u>60,731</u>	<u>92,092</u>
Average number of full-time employees	<u>63</u>	<u>87</u>
By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
The Board of Directors does not receive remuneration.		
3 Other financial income		
Interest income from group entities	255	255
Other financial income	1	0
Exchange gains	<u>2,694</u>	<u>863</u>
	<u>2,950</u>	<u>1,118</u>
4 Other financial expenses		
Interest expense to group entities	340	0
Other financial costs	1,061	569
Exchange losses	<u>4,439</u>	<u>318</u>
	<u>5,840</u>	<u>887</u>
5 Tax on profit for the year		
Current tax for the year	16,540	19,272
Deferred tax for the year	<u>2,156</u>	<u>2,239</u>
	<u>18,696</u>	<u>21,511</u>
6 Proposed profit appropriation		
Proposed dividends for the year	66,000	81,700
Retained earnings	<u>268</u>	<u>62</u>
	<u>66,268</u>	<u>81,762</u>

Financial statements 1 January – 31 December

Notes

7 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	3,009	594	3,603
Cost at 31 December 2022	3,009	594	3,603
Depreciation and impairment losses at 1 January 2022	-2,912	-356	-3,268
Depreciation for the year	-37	-119	-156
Depreciation and impairment losses at 31 December 2022	-2,949	-475	-3,424
Carrying amount at 31 December 2022	60	119	179

8 Investments

DKK'000	Receivables from group entities	Other securities and equity investments	Total
Cost at 1 January 2022	27,138	60	27,198
Disposals for the year	-27,138	0	-27,138
Cost at 31 December 2022	0	60	60
Carrying amount at 31 December 2022	0	60	60

The receivable has no fixed repayment date.

DKK'000	31/12 2022	31/12 2021
9 Deferred tax asset		
Deferred tax asset at 1 January	3,692	5,931
Deferred tax adjustment for the year	-2,156	-2,239
	1,536	3,692

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including licenses & other services, DKK 12,452 thousand.

Financial statements 1 January – 31 December

Notes

11 Contributed capital

The contributed capital consists of 3,000,000 shares of a nominal value of DKK 1.00 each.

All shares rank equally.

The Company's contributed capital has remained DKK 3,000 thousand over the past five years.

12 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The Group as a whole is not liable to any other parties.

Rent and lease obligations amounts to DKK 3,064 thousand (2021: DKK 6,128 thousand).

DKK 3,064 thousand falls due within 1 year and.

13 Related party disclosures

Forsikringens Datacenter A/S' related parties comprise the following:

Control

TSS Denmark ApS, c/o FDC, Lautrupvang 12, 2750 Ballerup.

TSS Denmark ApS holds the majority of the contributed capital in the Company.

Constellation Software Inc., 20 Adelaide Street East, Suit 1200, Toronto, Ontario, Canada, is the ultimate beneficial owner of Forsikringens Datacenter A/S.

Forsikringens Datacenter A/S is part of the consolidated financial statements of Topicus.com Coöperatief U.A., and the consolidated financial statements of Constellation Software Inc., which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Topicus.com Coöperatief U.A. can be obtained on the webpage www.kvk.nl

The consolidated financial statements of Constellation Software Inc. can be obtained on the webpage <https://www.cssoftware.com/category/stat-filings>

Related party transactions

Purchase of services from group entities amounted to DKK 11,379 thousand

Sale of services to group entities amounted to DKK 4,014 thousand

Balances with related parties are disclosed in the balance sheet.

Management's remuneration is considered conducted on arms length basis.