

ROESGAARD

NÅR OVERBLIK SKABER VÆRDI

VLRS GRP A/S

**Papirfabrikken 20A
8600 Silkeborg**

Central Business Registration No. 25 79 76 20

Annual Report for 2023

The Annual Report was presented and approved at the Annual General Meeting of the Company on 24/05 2024

Claus Hovge Andersen
Chairman



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Company details

The company

VLRS GRP A/S
Papirfabrikken 20A
8600 Silkeborg

CVR no.: 25 79 76 20
Reporting period: 1 January - 31 December 2023
Domicile: Silkeborg

Board of directors

Jesper Ulsted, chairman
Claus Hovge Andersen
Frank Gustafsson
Rasmus Mandrup
Brian Beattie

Executive board

Holger Torkild Foss, CEO

Auditors

Roesgaard
Godkendt Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of VLRS GRP A/S for the financial year 1 January - 31 December 2023.

The annual report is 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 financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved by the company at the general meeting.

Silkeborg, 24 May 2024

Executive board

Holger Torkild Foss
CEO

Board of directors

Jesper Ulsted
chairman

Claus Hovge Andersen

Frank Gustafsson

Rasmus Mandrup

Brian Beattie

Independent auditor's report

To the shareholders of VLRS GRP A/S

Opinion

We have audited the financial statements of VLRS GRP A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 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.

Independent auditor's report

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.

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.

Independent auditor's report

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, we conclude that 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 management's review.

Horsens, 24 May 2024

Roesgaard

Godkendt Revisionspartnerselskab
CVR no. 37 54 31 28

Michael Mortensen
State Authorised Public Accountant
MNE no. mne34108

Financial highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	59,549	52,443	32,128	25,641	32,315
Profit before amortisation/depreciation and impairment losses	12,335	14,875	14,501	5,071	2,405
Profit/loss from primary operations	11,165	14,379	2,563	(1,645)	(3,213)
Net financials	2,704	10,222	579	157	250
Profit/loss for the year	14,776	21,897	2,444	(1,162)	(2,286)
Balance sheet					
Balance sheet total	491,693	505,355	61,156	30,267	31,590
Investment in property, plant and equipment	141	384	0	126	0
Equity	167,210	152,434	7,601	5,157	4,276
Number of employees	35	29	24	29	49
Financial ratios					
Return on assets	2.2 %	5.1 %	5.6 %	(5.3)%	(9.9)%
Solvency ratio	34.0 %	30.2 %	12.4 %	17.0 %	13.5 %
Return on equity	9.2 %	27.4 %	38.3 %	(24.6)%	(42.2)%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Management's review

Business review

The company's activities comprise developing, implementing and servicing business systems and apps. The purpose is to digitise work procedures, support compliance (e.g. GDPR) and ensure secure communication.

Since 2001, VLRS GRP A/S has developed the product suite Intranote Solutions which includes solutions for e.g. handling internal communication, document management, HR, agenda and collaboration space.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of TDKK 14,776, and the balance sheet at 31 December 2023 shows equity of TDKK 167,210.

This year we met our expectations and goals set forward for the year as we have achieved an increased gross profit and EBITA and an acceptable income from investments in subsidiaries.

The company's investment strategy did in 2023 materialise in one acquisition in subsidiaries of TDKK 29,880.

Currency risk

The company and its subsidiaries operate in different countries and currencies but management does not see a significant currency risk for the company.

Significant events occurring after the end of the financial year

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

Expected development of the company

In 2024, we expect the company to strengthen its level of profitability in EBITA from operating activities and income from investments in subsidiaries to a total level of DKK 39–51 million.

Accounting policies

The annual report of VLRS GRP A/S for 2023 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 are consistent with those of last year.

The annual report for 2023 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Pursuant to section 86, subsection 4, of the Danish Financial Statements Act, the company has not prepared a cash flow statement.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Recognition and measurement of business combinations

Business combinations are recognised using the booked value method. Comparative figures are not adjusted.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less direct cost of sales and other external expenses.

Revenue

The company uses IFRS 15 as basis for the revenue recognition.

Revenue from the sale of software and services is recognised in the income statement by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of the work performed during the year (the percentage of completion method). Revenue is recognised when total income and expenses and the stage of completion of the contract at the balance sheet date can be reliably measured and when it is probable that the economic benefits, including payments, will flow to the company.

Revenue from sale of licenses and subscriptions is accrued over the agreement period.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Cost of sales

Costs of sales include costs used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, currency exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Tangible assets

Items of land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

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

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	2 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Accounting policies

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

The company uses IFRS 16 as basis for classifications and recognition of leases.

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Investments in subsidiaries

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

Other securities and investments, fixed assets

Deposits are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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 is impaired, an impairment loss for that individual asset is recognised.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Provisions

Provisions comprise expected expenses relating to earnout agreements. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities include the capitalised residual of finance lease commitment.

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial Highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Gross profit		59,549	52,443
Staff costs	1	<u>(47,214)</u>	<u>(37,568)</u>
Profit before amortisation/depreciation and impairment losses		12,335	14,875
Depreciation, amortisation and impairment of property, plant and equipment		<u>(1,170)</u>	<u>(496)</u>
Profit before net financials		11,165	14,379
Income from investments in subsidiaries		26,565	19,089
Interest received from group entities		3,217	1,579
Other financial income		211	0
Interest paid to group entities		(16,478)	(7,170)
Other financial costs		<u>(10,811)</u>	<u>(3,276)</u>
Profit before tax		13,869	24,601
Tax on profit/loss for the year	2	<u>907</u>	<u>(2,704)</u>
Profit for the year		<u>14,776</u>	<u>21,897</u>
Distribution of profit	3		

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Assets			
Completed development projects		0	0
Intangible assets	4	<u>0</u>	<u>0</u>
Land and buildings	5	2,616	0
Other fixtures and fittings, tools and equipment	5	587	275
Leasehold improvements	5	234	317
Tangible assets		<u>3,437</u>	<u>592</u>
Investments in subsidiaries	6	433,764	413,564
Deposits		513	513
Fixed asset investments		<u>434,277</u>	<u>414,077</u>
Total non-current assets		<u>437,714</u>	<u>414,669</u>
Trade receivables		12,221	19,073
Contract work in progress	7	30	64
Receivables from group entities	8	35,676	69,799
Other receivables		0	76
Deferred tax asset	9	93	340
Joint taxation contributions receivable		1,995	0
Prepayments	10	475	384
Receivables		<u>50,490</u>	<u>89,736</u>
Cash at bank and in hand		<u>3,489</u>	<u>950</u>
Total current assets		<u>53,979</u>	<u>90,686</u>
Total assets		<u>491,693</u>	<u>505,355</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		501	501
Retained earnings		166,709	151,933
Equity	11	167,210	152,434
Other provisions	12	1,440	5,412
Total provisions		1,440	5,412
Lease obligations		2,269	98
Other payables		16,927	19,901
Total non-current liabilities	13	19,196	19,999
Short-term part of long-term debt	13	845	134
Banks		64	144
Prepayments received from customers		30,018	28,338
Trade payables		2,113	924
Pre-invoicing, work in progress	7	1,837	1,595
Payables to group entities	8	213,955	201,628
Joint taxation contributions payable		0	2,349
Other payables		55,015	92,398
Total current liabilities		303,847	327,510
Total liabilities		323,043	347,509
Total equity and liabilities		491,693	505,355
Contingent liabilities	14		
Mortgages and collateral	15		
Related parties and ownership structure	16		

Statement of change in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	501	151,933	152,434
Net profit/loss for the year	0	14,776	14,776
Equity at 31 December 2023	501	166,709	167,210

Notes to the annual report

	2023	2022
	TDKK	TDKK
1 Staff costs		
Wages and salaries	43,973	35,260
Pensions	2,861	2,101
Other social security costs	380	207
	<u>47,214</u>	<u>37,568</u>
Including remuneration to the executive board	<u>4,024</u>	<u>3,313</u>
Number of fulltime employees on average	<u>35</u>	<u>29</u>
2 Tax on profit/loss for the year		
Current tax for the year	(1,154)	2,349
Deferred tax for the year	247	355
	<u>(907)</u>	<u>2,704</u>
3 Distribution of profit		
Retained earnings	<u>14,776</u>	<u>21,897</u>
	<u>14,776</u>	<u>21,897</u>

Notes to the annual report

4 Intangible assets

	Completed development projects
Cost at 1 January 2023	26,363
Cost at 31 December 2023	26,363
Impairment losses and amortisation at 1 January 2023	26,363
Impairment losses and amortisation at 31 December 2023	26,363
Carrying amount at 31 December 2023	0

5 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2023	0	1,864	862
Additions for the year	3,270	745	0
Disposals for the year	0	(661)	0
Cost at 31 December 2023	3,270	1,948	862
Impairment losses and depreciation at 1 January 2023	0	1,589	545
Depreciation for the year	654	433	83
Reversal of impairment and depreciation of sold assets	0	(661)	0
Impairment losses and depreciation at 31 December 2023	654	1,361	628
Carrying amount at 31 December 2023	2,616	587	234
Value of leased assets	2,616	428	0

Notes to the annual report

	2023	2022
	TDKK	TDKK
6 Investments in subsidiaries		
Cost at 1 January 2023	413,564	11,742
Additions for the year	29,880	408,072
Adjustments for the year	(9,680)	(6,250)
Cost at 31 December 2023	<u>433,764</u>	<u>413,564</u>
Carrying amount at 31 December 2023	<u>433,764</u>	<u>413,564</u>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Purpleview GmbH	Germany	100 %	16,719	(3,404)
Delta Logic AG	Switzerland	100 %	4,133	11,125
Infogate AG	Switzerland	100 %	2,362	15,788
Macos Software AG	Switzerland	100 %	1,505	12,287
IMS Integrierte Managementsysteme AG	Switzerland	100 %	5,042	5,467
Saatmann GmbH	Germany	100 %	80,980	20,219
- nCara GmbH	Germany	100 %	114,367	8,069
ComputerCamp A/S	Denmark	100 %	1,075	91
ConWX ApS	Denmark	100 %	10,881	3,164
Geomatic A/S	Denmark	100 %	21,887	7,209
- Geomatic AB	Sweden	100 %	471	2
Exformatics A/S	Denmark	100 %	352	548
IntraNote AB	Sweden	100 %	831	2,251
Cactus Utilities AB	Sweden	100 %	11,201	2,548
Eureka Technology	France	100 %	13,049	9,817
Profundo AS	Norway	100 %	3,350	1,859
- Profundo AB	Sweden	100 %	214	(133)
SDM Housing Software Limited	United Kingdom	100 %	1,892	5,688
- Professional Data Management Services Limited	United Kingdom	100 %	10,020	3,718
- Professional Data Management Services (UK) Limited	United Kingdom	100 %	4,555	464
- PDMS Ventures Limited	United Kingdom	100 %	191	367

The reported numbers for foreign subsidiaries are prepared in accordance with local accounting principles.

Notes to the annual report

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
7 Contract work in progress		
Work in progress, selling price	2,307	2,745
Work in progress, payments received on account	<u>(4,114)</u>	<u>(4,276)</u>
	<u>(1,807)</u>	<u>(1,531)</u>
Recognised in the balance sheet as follows:		
Contract work in progress under assets	30	64
Prepayments received under liabilities	<u>(1,837)</u>	<u>(1,595)</u>
	<u>(1,807)</u>	<u>(1,531)</u>
8 Intra-group balances		
Receivables from group entities consist of TDKK 35,618 to legally owned entities directly or indirectly and TDKK 58 to other Volaris or consteallation entities. Payables to group entities consist of TDKK 140,736 to legally owned entities directly or indirectly and TDKK 73,219 to other Volaris or consteallation entities. Net payables to legally owned entities directly or indirectly are TDKK 105.118 and TDKK 73,161 to other Volaris or consteallation entities.		
9 Provision for deferred tax		
Provision for deferred tax at 1 January 2023	(340)	(695)
Deferred tax recognised in income statement	247	355
Transferred to deferred tax asset	<u>93</u>	<u>340</u>
Provision for deferred tax at 31 December 2023	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	<u>93</u>	<u>340</u>
Carrying amount	<u>93</u>	<u>340</u>

Deferred tax asset is measured and recognised on the basis of an expected utilisation herof within the next 3-5 years.

Notes to the annual report

10 Prepayments

Prepayments comprise prepaid expenses regarding insurance premiums, subscriptions etc.

11 Equity

The share capital consists of 1,002 shares of a nominal value of DKK 500. No shares carry any special rights.

In 2022 was a capital increase of TDKK 1.

12 Other provisions

	2023	2022
	TDKK	TDKK
Balance at beginning of year at 1 January 2023	5,412	0
Provision in year	0	5,412
Applied in the year	(3,972)	0
Balance at 31 December 2023	1,440	5,412

The expected due dates of other provisions are:

Within one year	37	3,972
Between 1 and 5 years	1,403	1,440
	1,440	5,412

13 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Lease obligations	232	3,114	845	0
Other payables	19,901	16,927	0	1,118
	20,133	20,041	845	1,118

Notes to the annual report

14 Contingent liabilities

The company has entered into a rental agreement with term to maturity of 3 months. The commitment is TDKK 75 as of 31 December 2023.

The company is jointly taxed with TSS Denmark ApS (management company), and is jointly and severally liable with other jointly taxed entities for Danish income taxes for income year 2022 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

15 Mortgages and collateral

The company has provided a guarantee for subsidiary's debt to external parties totaling TDKK 30,377 as of 31 December 2023.

16 Related parties and ownership structure

Controlling interest

Trapeze Software ULC, Mississauga, Canada (parent company)

Transactions not conducted on arm's length terms

Pursuant to section 98 C, subsection 7, of the Danish Financial Statements Act, only transactions which are not carried out on normal market conditions are disclosed.

Consolidated financial statements

The company is part of the group reporting for Constellation Software Inc., Toronto, Canada, which is the smallest and largest group in which the company is included as a subsidiary.