Prolog Development Center Holding A/S

H. J. Holst Vej 3-5 C, 2605 Brøndby

CVR no. 25 80 06 80

Annual report 2022/23

Approved at the Company's annual general meeting on 6 July 2023

Chair of the meeting:

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Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Prolog Development Center Holding A/S for the financial year 1 May 2022 - 30 April 2023.

The annual report has been 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 April 2023 and of the results of their operations and consolidated cash flows for the financial year 1 May 2022 - 30 April 2023.

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.

Brøndby, 6 July 2023
Executive Board:

Finn Grønskov

Board of Directors:

Leo Schou-Jensen Chair	Finn Grønskov	Bente Torp Grønskov

Vibeke Konggaard Schou-Jensen

Independent auditor's report

To the shareholders of Prolog Development Center Holding A/S

Conclusion

We have audited the consolidated financial statements and the parent company financial statements of Prolog Development Center Holding A/S for the financial year 1 May 2022 - 30 April 2023, 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 April 2023 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2022 - 30 April 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 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" (hereinafter 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. Moreover, Management is responsible 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 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.

Independent auditor's report

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

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

Independent auditor's report

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, 6 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Allan Nørgaard
State Authorised
Public Accountant
mne35501

Management's review

Company details

Name	Prolog Development Center Holding A/S
Address, postal code, city	H. J. Holst Vej 3-5 C, 2605 Brøndby
CVR no.	25 80 06 80
Registered office	Brøndby
Financial year	1 May 2022 - 30 April 2023
Board of Directors	Leo Schou-Jensen, Chair Finn Grønskov Bente Torp Grønskov Vibeke Konggaard Schou-Jensen
Executive Board	Finn Grønskov
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Financial highlights for the Group

DKKm	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Key figures					
Revenue	136,600	127,993	108,146	103,569	101,301
Profit/loss for the year	9,888	11,167	5,812	2,359	3,147
Total assets	80,368	78,421	64,936	66,146	64,812
Investments in property, plant and equipment	-326	-663	-1,487	-2,605	-1,083
Equity	51,406	46,974	39,809	36,008	34,954
Financial ratios					
Operating margin	2,3%	8,2%	7,6%	4,1%	4,0%
Gross margin	73,6%	79,6%	81,1%	75,4%	78,1%
Return on assets	4,0%	10,8%	7,4%	2,8%	3,0%
Equity ratio	63,4%	59,5%	60,9%	54,1%	53,8%
Return on equity	19,9%	25,8%	14,8%	7,1%	9,3%
Average number of full-time employees	124	123	113	110	109

For terms and definitions, please see the accounting policies.

Management's review

Business review

The Group's main activities are to develop and sell software and related activities.

Financial review

The financial report for 2022/23 shows a profit of DKK 9,888 thousand against a profit of DKK 11,167 thousand last year, and the balance sheet at 30 April 2023 shows equity of DKK 51.406 thousand.

PDC experienced a continued growth in 2022/23 reaching a turnover of 136 million - being an increase of 6,7% from last year. This is within the expected range. Furthermore, the profit reached DKK 8.8 million which is within the expected range. Management considers this satisfactory. The main activities within the key areas of the company includes:

AIRLINES

- Development and delivery of PDCs integrated flight suite for Airlines Resource Management, including Operations Control, Commercial Schedules Planning and Crew management to airlines. Four more airlines joined the community of international airlines using the PDC Flight Suite.
- Our new Automated scheduling engine using Mathematical Optimization and AI technologies is continuously being improved - and it is being adopted by more of our Airline customers

AIRPORTS

- PDC SCORE system for Airport Slot Coordination have been delivered to coordinators - that covers several airports in Asia, Middle-east, North America and South America.
- PDC have extended our Airport Suite with new modules for resource planning. The delivery of the full Airport Suite integrated with PDC SCORE started for a customer in North America.

RESOURCE MANAGEMENT SYSTEMER

- Implementation of PDC's work force management and production planning solution to the public and private sectors.
- PDC have extended the cooperation with one of the largest regions in Denmark.

TECHNOLOGIES

- Establishing a state of the art Cloud environment, and cloud management tools.
- Continued development AI related tools for planning and scheduling - including Logic Programming and Mathematical Optimization.

Events after the balance sheet date

No events affecting the 2022/23 annual report has occurred after the balance sheet date.

Outlook

The outlook for 2023/2024 is further moderate growth of 5-15% in Turnover and a Profit that is expected to be in the range DKK 5 - 15 million.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Income statement

Note	DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
	Revenue	136,600	127,993	0	0
	Cost of sales	-13,164	-11,645	0	0
	Other operating income	7,881	2,749	0	0
	Other external expenses	-30,727	-17,170	-49	-49
	Gross profit/loss	100,590	101,927	-49	-49
2	Staff costs	-88,205	-90,132	0	0
3	Amortisation/depreciation of intangible assets and property, plant and equipment	-1,332	-1,324	0	0
	Profit/loss before net financials	11,053	10,471	-49	-49
	Income from equity investments in group entities	0	0	9,933	11,168
	Loss on disposal of equity investments in associates	-181	0	-181	0
	Financial income	1,508	3,365	7	0
	Financial expenses	-1,831	-1,309	-7	0
	Profit/loss before tax	10,549	12,527	9,703	11,119
4	Tax for the year	-661	-1,360	13	15
	Profit/loss for the year	9,888	11,167	9,716	11,134

	2022/2023	2021/2022
Specification of the Group's results of operations:		
Shareholders in Prolog Development Center Holding A/S	9,716	11,134
Non-controlling Interests	172	33
	9,888	11,167

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

		Group		Parent Company	
Note	DKK'000	2022/2023	2021/2022	2022/2023	2021/2022
	ASSETS				
	Non-current assets				
5	Intangible assets				
	Acquired intangible assets	0	65	0	0
	Goodwill	145	232	0	0
		145	297	0	0
6	Property, plant and equipment				
	Plant and machinery	850	1,154	0	0
	Other fixtures and fittings, tools and equipment	342	1,146	0	0
		1,192	2,300	0	0
7	Financial assets				
	Investment in group entities, net asset value	0	0	48,562	46,966
	Participating interests	0	181	0	181
12	Deferred tax assets	1,337	831	21	21
		1,337	1,012	48,583	47,168
	Total non-current assets	2,674	3,609	48,583	47,168
	Current assets				
9	Receivables				
	Trade receivables	40,525	36,610	0	0
8	Work in progress for third parties	4,418	6,240	0	0
	Receivables from group entities	0	0	619	95
	Income tax receivable	42	804	1,599	810
	Other receivables	844	921	0	0
	Prepayments	16	0	0	0
		45,845	44,575	2,218	905
	Cash	31,849	30,237	2,106	428
	Total current assets	77,694	74,812	4,324	1,333
	TOTAL ASSETS	80,368	78,421	52,907	48,501

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

Note	DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	510	510	510	510
	Net revaluation reserve according to the equity method	0	0	41,269	32,342
	Foreign currency translation reserve	-301	155		155
	Retained earnings	47,721	41,005	6,151	8,663
	Proposed dividend	3,000	5,000	3,000	5,000
	Prolog Development Center Holding A/S' shareholders' share of equity	50,930	46,670	50,930	46,670
	Non-controlling interests	476	304	0	0
	Total equity	51,406	46,974	50,930	46,670
10	Provisions				
	Other provisions	2,090	0	0	0
	Total provisions	2,090	0	0	0
11	Non-current liabilities				
	Provision, investments in group entities	0	0	0	1,009
	Payables to group entities	0	0	1,930	781
	Income tax payable	2,385	3,059	0	0
	Total non-current liabilities	2,385	3,059	1,930	1,790
	Current liabilities				
8	Work in progress for third parties	5,303	6,223	0	0
	Trade payables	4,652	3,639	47	41
	Payables to associates	0	385	0	0
	Income tax payable	117	0	0	0
	Other payables	7,328	10,633	0	0
13	Deferred income	7,087	7,508	0	0
	Total current liabilities	24,487	28,388	47	41
	Total liabilities	28,962	31,447	1,977	1,831
	TOTAL EQUITY AND LIABILITIES	80,368	78,421	52,907	48,501

1 Accounting policies
14 Contractual obligations and contingencies, etc.
15 Collateral
16 Related parties
17 Events after the balance sheet date
18 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 May - 30 April

Statement of changes in equity

Note	DKK'000	Group						
		Share capital	Translation reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	Equity at 1 May 2022	510	155	41,005	5,000	46,670	304	46,974
	Transfer through appropriation of profit	0	0	6,716	3,000	9,716	172	9,888
	Exchange adjustment	0	-456	0	0	-456	0	-456
	Dividend distributed	0	0	0	-5,000	-5,000	0	-5,000
	Equity at 30 April 2023	510	-301	47,721	3,000	50,930	476	51,406

Note	DKK'000	Parent Company				
		Share capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
	Equity at 1 May 2022	510	32,497	8,663	5,000	46,670
18	Transfer, see "Appropriation of profit"	0	9,228	-2,512	3,000	9,716
	Exchange adjustment	0	-456	0	0	-456
	Dividend distributed	0	0	0	-5,000	-5,000
	Equity at 30 April 2023	510	41,269	6,151	3,000	50,930

Consolidated financial statements and parent company financial statements 1 May - 30 April

Cash flow statement

Note	DKK'000	Group 2022/2023	Group 2021/2022
	Profit for the year	9,888	11,167
19	Adjustments	2,497	628
	Cash generated from operations (Operating activities)	12,385	11,795
20	Changes in working capital	-3,609	-2,030
	Cash generated from operations (Operating activities)	8,776	9,765
	Interest received etc.	772	3,365
	Interest paid etc.	-1,831	-1,309
	Income taxes paid	-779	-484
	Cash flows from operating activities	6,938	11,337
	Acquisition of property, plant and equipment	-326	-663
	Disposal of property, plant and equipment	0	42
	Cash flows from investing activities	-326	-621
	Dividend paid	-5,000	-4,000
	Cash flows from financing activities	-5,000	-4,000
	Cash flows for the year	1,612	6,716
	Cash and cash equivalents, beginning of year	30,237	23,633
	Cash and cash equivalents, year end	31,849	30,349

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies

The annual report of Prolog Development Center Holding A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Presentation currency

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

Control

The consolidated financial statements comprise the Parent Company Prolog Development Center Holding A/S and group entities controlled by Prolog Development Center Holding A/S (control).

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

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 as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

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

Equity investments in associates, participating interests and joint ventures are recognised in the consolidated financial statements using the equity method.

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.

Foreign currency translation

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

Receivables, 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.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

As basis for interpretation regarding revenue recognition, IAS 11 / 18 has been applied.

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received. Income from the sale of services is recognised once the outcome of the transaction can be estimated reliably with reference to the stage of completion. Licence income is recognised as revenue at the time of transfer of the risk to the buyer when, in reality, the agreement is comparable with a sale of software licences.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

In assessing the reality of the individual agreement on the delivery of licences, the Company's obligations in connection with additional deliverances, term of contract, payment period, interminability of the contract, rights to the licence and other relevant factors are taken into consideration. For sales with a long credit period, the debtor's ability to pay is included in the assessment as to whether the economic benefits connected with the sales transaction will flow to the Company and whether revenue can be measured reliably. Sales with long interest-free credit are discounted and recognised at fair value. The related interest income is recognised over the term of the credit arrangement under net financials.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Other operating 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 equity investments in group entities, associates and equity interests

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra- group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

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

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge 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 the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

On Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Leases

As basis for interpretation regarding recognition and measurement of leases, IAS 17 has been applied.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, 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 accounted for in the same way as the Company's other assets.

The capitalised residual lease liability 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 and participating interests

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates 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. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

As basis for interpretation regarding provisions for bad debt, IAS 39 has been applied. 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.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

Equity

Net revaluation reserve according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Dividends from subsidiaries that are expected to be adopted before approval of the annual report of Prolog Development Center Holding A/S are not tied to the reserve for net revaluation according to the equity method.

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 subsidiaries 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 dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line 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.

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.

Provisions

Provisions comprise anticipated expenses relating to onerous contracts. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

1 Accounting policies (continued)

Other Payables

Other payables are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

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.

Financial ratios

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

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	(Operating profit (EBIT) x 100) / Revenue
Gross margin	(Gross profit/loss x 100) / Revenue
Return on asset	(Profit/loss from operating activities x 100) / Average assets
Equity ratio	(Equity excl. non-controlling interests, year-end x 100) / Total assets, year-end
Return on equity	(Profit/loss for the year after tax ex. Non-controlling interests x 100) / Average equity excl. non-controlling interests)

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

2 Staff costs and incentive plans

DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
Wages and salaries	74,475	77,553	0	0
Pensions	9,698	9,270	0	0
Other social security costs	1,073	1,086	0	0
Other staff costs	2,959	2,223	0	
	88,205	90,132	0	0
Average number of full-time employees	124	123	0	0

Remuneration to members of management

DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
Executive Board	1,899	1,857	0	0
Board of Directors	53	141	0	0
	1,952	1,998	0	0

3 Amortisation/depreciation of intangible assets and property, plant and equipment

DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
Amortisation of intangible assets	152	252	0	0
Depreciation of property, plant and equipment	1,180	1,072	0	0
	1,332	1324	0	0

4 Tax for the year

DKK'000	Group 2022/2023	Group 2021/2022	Parent Company 2022/2023	Parent Company 2021/2022
Estimated tax charge for the year	2,425	3,077	13	-4
Deferred tax adjustment in the year	-506	-288	0	-11
Tax adjustments, prior years	-1,258	-1,429	0	0
	661	1,360	0	-15

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

5 Intangible assets

DKK'000	Group: Acquired intangible assets	Group: Goodwill	Group: Total
Cost at 1 May 2022	495	435	930
Additions	0	0	0
Cost at 30 April 2023	495	435	930
Impairment losses and amortisation at 1 May 2022	430	203	633
Amortisation/depreciation in the year	65	87	152
Amortisation and impairment losses at 30 April 2023	495	290	785
Carrying amount at 30 April 2023	0	145	145
Amortised over	5 years	5 Years	

6 Property, plant and equipment

DKK'000	Group: Plant and machinery	Group: Fixtures and fittings, tools and equipment	Group: Total
Cost at 1 May 2022	1,588	4,459	6,047
Additions	137	189	326
Disposals	-382	0	-382
Cost at 30 April 2023	1,343	4,648	5,991
Impairment losses and depreciation at 1 May 2022	434	3,313	3,747
Amortisation/depreciation in the year	187	993	1,180
Amortisation/depreciation and impairment of disposals in the year	-128	0	-128
Amortisation and impairment losses at 30 April 2023	493	4,306	4,799
Carrying amount at 30 April 2023	850	342	1,192
Amortised over	6 years	3 years	

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

7 Financial assets

Group

Name	Legal Form	Domicile	Interest
PDC-Argos	ApS	Denmark	80%
Dictus	ApS	Denmark	80%
PDC	A/S	Denmark	100%
PDC Aviation	Ltd.	United Kingdom	100%
PDC Solutions Canada	Ltd.	Canada	100%
Prolog Development Center Asia Pacific Pte.	Ltd.	Singapore	100%
PDC-Solutions Columbia	SAS	Columbia	100%
LPT IT	ApS	Denmark	100%

	Parent company		
DKK'000	Investments in group entities, net asset value	Participating interest	Total
Cost at 1 May 2022	6,991	314	7,305
Disposals	0	-314	-314
Cost at 30 April 2023	6,991	0	0
Value adjustments at 1 May 2022	39,975	-133	39,842
Value adjustments of disposals in the year	0	133	133
Exchange adjustment	-456	0	-456
Dividend distributed	7,500	0	7,500
Share of the profit/loss for the year	9,551	0	9,551
Value adjustments 30 April 2023	41,570	0	41,570
Carrying amount at 30 April 2023	48,562	0	48,562

8 Work in progress for third parties

	Group		Parent Company	
DKK'000	2022/2023	2021/2022	2022/2023	2021/2022
Selling price of work performed	5,397	6,240	0	0
Progress billings	-6,282	-6,223	0	0
	-885	17	0	0

Recognised as follows:				
Work in progress for third parties(assets)	4,418	6,240	0	0
Work in progress for third parties (liabilities)	5,303	-6,223	0	0
	-885	17	0	0

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

9 Receivables

Group

Of receivables totalling DKK 40,086 thousand, DKK 5,910 thousand fall due for payment after more than one year after the balance sheet date.

10 Other provision

	Group		Parent Company	
DKK'000	2022/2023	2021/2022	2022/2023	2021/2022
Opening balance at 1 May	0	0	0	0
Provisions in the year	2,090	0	0	0
Other provisions at 30 April	2,090	0	0	0

The provisions are expected to be payable in:

0 - 1 year	860	0
1 - 5 years	1,230	0
> 5 years	0	0

Other provisions compromise of anticipated loss on onerous contracts.

11 Non-current liabilities

	Group			
DKK'000	Total debt at 30/4 2023	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Income tax payable	2,502	117	2,385	0
	2,502	117	2,385	0

12 Deferred tax

	Group		Parent Company	
DKK'000	2022/2023	2021/2022	2022/2023	2021/2022
Deferred tax at May 1	-831	-543	-21	-10
Movement of the year	-506	-288	0	-11
	-1,337	-831	-21	-21

13 Deferred income

Group

Deferred income comprises payments relating to the sale of licences and support & maintenance contracts, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

14 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent Company	
DKK'000	2022/2023	2021/2022	2022/2023	2021/2022
Rent and lease liabilities	893	862	0	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 the income years 2012/13 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

15 Collateral

The group has not provided any security or other collateral in assets as 30 April 2023.

Parent company

The parent Company has not placed any assets or other as security for loans at 30 April 2023.

16 Related parties

Group

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Information on the remuneration to management

Information on the remuneration to Management appears from note 2, "Staff costs".

Parent company

Transactions with related parties

Transactions with wholly owned subsidiaries are not disclosed, cf Article 98c, section 3 of the Danish Financial Statements Act.

Regarding other related parties, the Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

17 Events after the balance sheet date

No events significantly affecting the financial statements for 2022/23 have occurred after the balance sheet date.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes to the financial statement

18 Appropriation of profit

Recommended appropriation of profit

	Parent Company	
DKK'000	2022/2023	2021/2022
Proposed dividend recognised under equity	3,000	5,000
Net revaluation reserve according to the equity method	9,228	-24
Retained earnings/accumulated loss	-2,512	6,158
	9,716	11,134

19 Adjustments

	Group	
DKK'000	2022/2023	2021/2022
Amortisation/depreciation and impairment losses	1,920	1,324
Income from investments in associates	181	0
Financial income	-1,508	-3,365
Financial expenses	1,831	1,309
Tax for the year	661	1,360
	3,085	628

20 Changes in working capital

	Group	
DKK'000	2022/2023	2021/2022
Change in receivables including work in progress	-1,593	-6,895
Change in trade and other payables	-3,633	4,891
Change in provisions	2,090	0
Other changes in working capital	-44	-26
	-3,170	-2,030