



# RSM

**RSM Danmark**

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Revisionspartnerselskab

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# PEOPLE2.0 Denmark ApS

Automatikvej 1, 2860 Søborg

Company reg. no. 27 23 05 55

## Annual report

**1 January - 31 December 2023**

The annual report was submitted and approved by the general meeting on the 5 July 2024.

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**Steven Kenneth Schaus**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of PEOPLE2.0 Denmark ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 5 July 2024

### **Managing Director**

Steven Kenneth Schaus

### **Board of directors**

Steven Kenneth Schaus

## **Independent auditor's report**

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### **To the Shareholders of PEOPLE2.0 Denmark ApS**

#### **Qualified Opinion**

We have audited the financial statements of PEOPLE2.0 Denmark ApS 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, statement of cash flows and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the “Basis for Qualified Opinion” section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### **Basis for Qualified conclusion**

We have not been able to audit prepayments received by customers per 31 December 2023 of DKK 4.733.617 as it has not been possible to obtain an audit evidence prior to completion of the annual report. The nature of the company's recording systems has not convinced us about the accuracy of the company's prepayments received by the customer through other audit actions.

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 Responsibilities for the Financial Statements**

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

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

## Independent auditor's report

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### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

## **Independent auditor's report**

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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.

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen V, 5 July 2024

### **RSM Denmark**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 25 49 21 45

**Peter Arent Benkjer**

State Authorised Public Accountant  
mne35785

## Company information

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<b>The company</b>	PEOPLE2.0 Denmark ApS Automatikvej 1 2860 Søborg
	Company reg. no. 27 23 05 55 Established: 1 July 2003 Domicile: Gladsaxe Financial year: 1 January - 31 December
<b>Board of directors</b>	Steven Kenneth Schaus
<b>Managing Director</b>	Steven Kenneth Schaus
<b>Auditors</b>	RSM Denmark Statsautoriseret Revisionspartnerselskab Ved Vesterport 6, 5. sal 1612 København V
<b>Parent company</b>	PEOPLE2.0 (GROUP) UK LIMITED

## Financial highlights

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DKK in thousands.	<u>2023</u>	<u>2022</u>
<b>Income statement:</b>		
Revenue	119.696	119.901
Gross profit	117.634	116.270
Profit from operating activities	1.367	-365
Net financials	-332	-250
Net profit or loss for the year	111	-615
<b>Statement of financial position:</b>		
Balance sheet total	23.139	12.798
Equity	449	-163
<b>Key figures in %:</b>		
Gross margin ratio	98,3	97,0
Return on equity	77,6	-425,6

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The group has chosen not to provide information on key figures going back 5 years in accordance with the annual accounts act.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

**Gross margin ratio**  $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$

**Return on equity**  $\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$



## Management's review

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### Description of key activities of the company

People2.0 Denmark ApS's primary activities are to deliver management-, and consulting services and payroll administration, and to perform other services that according to the Supervisory Board are connected with this.

### Development in activities and financial matters

The revenue for the year totals DKK 119.696.264 against DKK 119.900.789 last year. Result from ordinary activities after tax totals DKK 111.077 against DKK -614.806 last year. Management considers the result for the year satisfactory.

The company has lost more than half of its share capital. In June, 2023 the group made a cash capital contribution of DKK 500,000 from the parent company, People2.0 (Group) UK Ltd., in order to reestablish the share capital.

Management expects that the parent company People2.0 (Group) UK Ltd. also going forward will support the Danish entity financially if necessary.

### Expected developments

The principal activity of People 2.0 Denmark Aps continues to be the provision of Employer of Record and Agency of Record services, managing onboarding, payroll, benefits, and workers' compensation for our clients while ensuring regulatory compliance. Looking ahead to 2024 and beyond, the ongoing integration into the People2.0 EMEA region will strategically, operationally, and financially strengthen the company, enabling continued growth. We plan to enhance process automation and customer support through our leading portal and exceptional services.

The management expect a result of 1.178 t.kr for 2024. The management informs that the growth from 2023 to 2024 is expected to be 3,5%.

### Environmental issues

As a business service provider, our company maintains a relatively low carbon footprint. Nevertheless, we are committed to further minimizing our environmental impact wherever possible. To achieve this, we actively support remote work and online meetings to reduce travel. We also prioritize waste separation and strongly promote paperless practices throughout our operations.

### Events occurring after the end of the financial year

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## Accounting policies

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The annual report for PEOPLE2.0 Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## Income statement

### **Revenue**

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

### **Other external expenses**

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

## Accounting policies

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### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

## Accounting policies

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### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Deferred income**

Payments received concerning future income are recognised under deferred income.

### **Statement of cash flows**

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### **Cash flows from investment activities**

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

## Accounting policies

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### **Cash flows from financing activities**

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue	119.696.264	119.900.789
Other external expenses	-2.062.051	-3.630.408
<b>Gross profit</b>	<b>117.634.213</b>	<b>116.270.381</b>
1 Staff costs	-116.267.262	-116.635.173
<b>Operating profit</b>	<b>1.366.951</b>	<b>-364.792</b>
Other financial income	11	-208.246
Other financial expenses	-332.345	-41.768
<b>Pre-tax net profit or loss</b>	<b>1.034.617</b>	<b>-614.806</b>
2 Tax on net profit or loss for the year	-923.540	0
<b>3 Net profit or loss for the year</b>	<b>111.077</b>	<b>-614.806</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2023</u>	<u>2022</u>
<b>Current assets</b>			
	Trade receivables	9.467.022	4.470.989
	Receivables from group enterprises	4.174.491	2.093.360
4	Deferred tax assets	279.501	1.203.041
	Income tax receivables	0	12.000
	Other receivables	9.175.920	4.671.283
	Total receivables	<u>23.096.934</u>	<u>12.450.673</u>
	Cash and cash equivalents	<u>41.726</u>	<u>347.315</u>
	<b>Total current assets</b>	<b><u>23.138.660</u></b>	<b><u>12.797.988</u></b>
	<b>Total assets</b>	<b><u>23.138.660</u></b>	<b><u>12.797.988</u></b>

## Balance sheet at 31 December

All amounts in DKK.

### Equity and liabilities

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Equity</b>		
Contributed capital	125.000	125.000
Retained earnings	323.569	-287.508
<b>Total equity</b>	<b>448.569</b>	<b>-162.508</b>
<b>Liabilities other than provisions</b>		
Other payables	0	170.283
Total long term liabilities other than provisions	0	170.283
Prepayments received from customers	4.733.617	0
Trade payables	609.834	1.535.774
Payables to group enterprises	2.723.817	0
Other payables	14.114.285	11.254.439
5 Deferred income	508.538	0
Total short term liabilities other than provisions	22.690.091	12.790.213
<b>Total liabilities other than provisions</b>	<b>22.690.091</b>	<b>12.960.496</b>
<b>Total equity and liabilities</b>	<b>23.138.660</b>	<b>12.797.988</b>

### 6 Contingencies

### 7 Related parties



## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	125.000	327.298	452.298
Retained earnings for the year	0	-614.806	-614.806
Equity 1 January 2023	125.000	-287.508	-162.508
Retained earnings for the year	0	111.077	111.077
Capital contribution	0	500.000	500.000
	<b>125.000</b>	<b>323.569</b>	<b>448.569</b>

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Net profit or loss for the year	111.077	-614.806
8 Adjustments	1.435.529	250.015
9 Change in working capital	<u>-1.852.207</u>	<u>-2.299.228</u>
Cash flows from operating activities before net financials	<u>-305.601</u>	<u>-2.664.019</u>
Cash flows from ordinary activities	<u>-305.601</u>	<u>-2.664.019</u>
<b>Cash flows from operating activities</b>	<b><u>-305.601</u></b>	<b><u>-2.664.019</u></b>
<b>Change in cash and cash equivalents</b>	<b><u>-305.601</u></b>	<b><u>-2.664.019</u></b>
Cash and cash equivalents at 1 January 2023	347.316	3.261.349
Foreign currency translation adjustments (cash and cash equivalents)	<u>11</u>	<u>-250.014</u>
<b>Cash and cash equivalents at 31 December 2023</b>	<b><u>41.726</u></b>	<b><u>347.316</u></b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	<u>41.726</u>	<u>347.316</u>
<b>Cash and cash equivalents at 31 December 2023</b>	<b><u>41.726</u></b>	<b><u>347.316</u></b>

## Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
<b>1. Staff costs</b>		
Salaries and wages	112.716.667	115.589.869
Pension costs	3.226.835	1.045.304
Other costs for social security	<u>323.760</u>	<u>0</u>
	<b><u>116.267.262</u></b>	<b><u>116.635.173</u></b>
Executive board and board of directors	<u>0</u>	<u>0</u>
Average number of employees	<u>95</u>	<u>93</u>
<b>2. Tax on net profit or loss for the year</b>		
Adjustment of deferred tax for the year	<u>923.540</u>	<u>0</u>
	<b><u>923.540</u></b>	<b><u>0</u></b>
<b>3. Proposed distribution of net profit</b>		
Transferred to retained earnings	111.077	0
Allocated from retained earnings	<u>0</u>	<u>-614.806</u>
<b>Total allocations and transfers</b>	<b><u>111.077</u></b>	<b><u>-614.806</u></b>
<b>4. Deferred tax assets</b>		
Deferred tax assets 1 January 2023	1.203.041	1.203.041
Deferred tax of the net profit or loss for the year	<u>-923.540</u>	<u>0</u>
	<b><u>279.501</u></b>	<b><u>1.203.041</u></b>
The following items are subject to deferred tax:		
Current assets	57.124	0
Losses carried forward to next years	<u>222.377</u>	<u>1.203.041</u>
	<b><u>279.501</u></b>	<b><u>1.203.041</u></b>
<b>5. Deferred income</b>		
Accruals and deferred income	<u>508.538</u>	<u>0</u>
	<b><u>508.538</u></b>	<b><u>0</u></b>

## Notes

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All amounts in DKK.

31/12 2023      31/12 2022

### 6. Contingencies

#### Contingent liabilities

##### Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK 12.576. The leases have 9 months to maturity and total outstanding lease payments total DKK 9.432.

### 7. Related parties

#### Controlling interest

People2.0 Denmark (Group) UK Limited

Majority shareholder

#### Transactions

In annual year, the company hasn't conducted transactions with related parties. We have been informed that transactions are made on arm's length principle.

#### Consolidated financial statements

The company's immediate parent is People2.0 (Group) UK Limited, a company registered in the United Kingdom. People2.0 (Group) UK Limited is the smallest and largest company for which publicly available consolidated accounts are drawn up and of which the company is a member. Copies of these financial statements are available from Companies House, Crown Way, Cardiff CF14 3UZ. The ultimate parent is TPG Capital Advisors, LLC., a private equity fund registered in the United States of America

### 8. Adjustments

Other financial income	-11	208.246
Other financial expenses	0	41.769
Tax on net profit or loss for the year	12.000	0
Deferred tax	923.540	0
Capital contribution	500.000	0
	<u>1.435.529</u>	<u>250.015</u>

## Notes

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All amounts in DKK.

	<u>2023</u>	<u>2022</u>
<b>9. Change in working capital</b>		
Change in assets	-5.250.864	-15.324.504
Change in liabilities	<u>3.398.657</u>	<u>13.025.276</u>
	<b><u>-1.852.207</u></b>	<b><u>-2.299.228</u></b>