

Planday A/S

Kuglegårdsvej 7
1434 København K
CVR No. 27666248

Annual report 2020

The Annual General Meeting adopted the annual report on 19.08.2021

DocuSigned by:
Damien Tampling
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Damien Leslie Tampling
Chairman of the General Meeting

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Entity details

Entity

Planday A/S

Kuglegårdsvej 7

1434 København K

Business Registration No.: 27666248

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Damien Leslie Tampling, chairman

Kirsty Vanora Godfrey-Billy, vice chair

Christian Brøndum, board member

Christopher Anthony Micklethwaite, board member

Gary Alfred John Turner, board member

Simona Turin, board member

Stephen James Lucas, board member

Executive Board

Christian Brøndum, CEO

Anders Kynde Frederiksen, CCDO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Planday A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19.08.2021

Executive Board

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Christian Brøndum
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Christian Brøndum
CEO

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Anders Frederiksen
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Anders Kynde Frederiksen
CCDO

Board of Directors

DocuSigned by:

Damien Tampling

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Damien Leslie Tampling

chairman

DocuSigned by:

Kirsty Godfrey-Billy

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Kirsty Vanora Godfrey-Billy

vice chair

DocuSigned by:

Christian Brøndum

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Christian Brøndum

board member

DocuSigned by:

Chris Micklethwaite

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Christopher Anthony Micklethwaite

board member

DocuSigned by:

Gary Turner

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Gary Alfred John Turner

board member

DocuSigned by:

Simona Turin

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Simona Turin

board member

DocuSigned by:

Stephen Lucas

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Stephen James Lucas

board member

Independent auditor's report

To the shareholders of Planday A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Planday A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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. 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and 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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

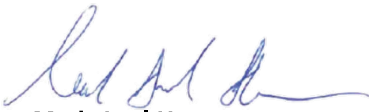
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Copenhagen, 19.08.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	62,563	61,550	38,202	29,377	20,457
Operating profit/loss	(35,542)	(45,444)	(52,471)	(28,698)	(15,020)
Net financials	(2,261)	(661)	(1,391)	(1,566)	(891)
Profit/loss for the year	(32,548)	(40,986)	(47,106)	(23,554)	(12,662)
Balance sheet total	253,009	235,532	243,204	92,175	82,734
Investments in property, plant and equipment	3,957	1,008	875	814	714
Equity	142,977	175,326	215,886	76,500	71,245
Ratios					
Return on equity (%)	(20.45)	(20.95)	(32.22)	(31.88)	(17.8)
Equity ratio (%)	56.51	74.44	88.77	82.99	86.11

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The Group and the Parent entity's primary activity is to conduct business with sale and licensing of software and other related activities. Specifically software to allow for smooth and efficient scheduling, communication, time tracking, reporting and staff management.

Development in activities and finances

Net loss of the year stand at DKK 32,548k, equity at DKK 142,977k and total assets at DKK 253,009k.

Profit/loss for the year in relation to expected developments

The net loss for the year of DKK 32.548k was expected by management and should be seen in relation to the growth plan the Group is following.

Outlook

The Group is also expected to create a loss for 2021, however management expects that the Group will continue to grow its revenue accordingly to the established business plan, which indicates significant revenue growth.

Particular risks

As at balance sheet date the Group has legal entities present in the Danish, UK, USA, Germany and Norwegian markets. Furthermore, the Group has activities on a larger number of foreign markets. As such, the Group is exposed to risks relating to developments in currency exchange rates.

The Group manages personal information for its customers and users through its cloud based software as a service. As a result, the Group is exposed to risks related to maintaining the privacy of data under management and compliance with data privacy legislation across its markets including the European Union General Data Protection Regulation.

Management is actively monitoring these risks and considering on an on-going basis the need to minimize these risks.

Knowledge resources

The Group's primary product is its online platform Planday. A key part of the growth of the Group is to continuously deliver new features etc. to enable the Group's product to be top of the line in the business.

The Group is specifically dependent on its staff in regards to its development projects and activities. The Group employs developers in the Danish Parent entity.

Environmental performance

The Group has no particular environmental impact.

Research and development activities

The Group have capitalized development costs of DKK 35,621k during 2020. The Group's development costs are related to the continuous improvement of its primary product, the Planday platform. The total carrying value of capitalized development projects in the balance sheet amounts to DKK 80,021k at 31 December 2020. For 2021, the Group expects to continue its focus on improving its product, as this is an important part of the Group's business plan and the foundation for future growth.

Events after the balance sheet date

On March 31, 2021 all outstanding shares of Planday A/S were acquired by Xero Limited, a publicly listed Company on the Australian stock exchange (trading symbol XRO). As a result, from March 31, 2021, the consolidated Planday group is wholly owned by Xero Limited and will continue to deliver and support its workforce management software as a service solution in the same manner as it was prior to being acquired.

In conjunction with the acquisition of Planday our bond facility with Nordea (see note 11 in parent notes) and our loan facility with Kreos (see note 18) have been closed and all related charges over the Company and its subsidiaries have been released.

Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		62,563,156	61,550,414
Staff costs	2	(70,921,697)	(86,277,311)
Depreciation, amortisation and impairment losses	3	(27,183,362)	(20,717,559)
Operating profit/loss		(35,541,903)	(45,444,456)
Other financial income		482	1,806,447
Other financial expenses		(2,261,474)	(2,467,063)
Profit/loss before tax		(37,802,895)	(46,105,072)
Tax on profit/loss for the year	4	5,255,226	5,119,419
Profit/loss for the year	5	(32,547,669)	(40,985,653)

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	7	80,020,965	70,245,722
Intangible assets	6	80,020,965	70,245,722
Other fixtures and fittings, tools and equipment		2,097,195	642,512
Leasehold improvements		2,063,906	1,115,829
Property, plant and equipment	8	4,161,101	1,758,341
Other investments		10,000	10,000
Deposits		3,374,764	4,920,647
Financial assets	9	3,384,764	4,930,647
Fixed assets		87,566,830	76,934,710
Trade receivables		4,393,954	5,767,039
Other receivables		1,519,998	2,247,948
Tax receivable		5,542,031	5,500,012
Prepayments	10	2,614,012	1,435,173
Receivables		14,069,995	14,950,172
Other investments		75,027,116	75,838,604
Investments		75,027,116	75,838,604
Cash		76,344,722	67,808,643
Current assets		165,441,833	158,597,419
Assets		253,008,663	235,532,129

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	11	1,391,415	1,391,415
Reserve for development costs		64,430,130	54,657,348
Retained earnings		77,155,927	119,277,466
Equity		142,977,472	175,326,229
Other payables	12	8,616,979	4,016,209
Non-current liabilities other than provisions	13	8,616,979	4,016,209
Current portion of non-current liabilities other than provisions	13	2,838,939	2,455,594
Bank loans	14	75,027,030	30,545,954
Prepayments received from customers		0	70,615
Trade payables		3,411,622	6,061,311
Tax payable		348,445	381,835
Other payables		14,634,429	12,556,351
Deferred income	15	5,153,747	4,118,031
Current liabilities other than provisions		101,414,212	56,189,691
Liabilities other than provisions		110,031,191	60,205,900
Equity and liabilities		253,008,663	235,532,129
Events after the balance sheet date	1		
Contingent liabilities	17		
Assets charged and collateral	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,391,415	54,657,348	119,277,464	175,326,227
Exchange rate adjustments	0	0	198,914	198,914
Transfer to reserves	0	9,772,782	(9,772,782)	0
Profit/loss for the year	0	0	(32,547,669)	(32,547,669)
Equity end of year	1,391,415	64,430,130	77,155,927	142,977,472

Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		(35,541,903)	(45,444,456)
Amortisation, depreciation and impairment losses		27,252,189	20,717,560
Working capital changes	16	7,339,320	4,492,764
Cash flow from ordinary operating activities		(950,394)	(20,234,132)
Financial income received		483	1,806,447
Financial expenses paid		(2,261,474)	(2,467,063)
Taxes refunded/(paid)		5,255,226	5,077,823
Cash flows from operating activities		2,043,841	(15,816,925)
Acquisition etc. of intangible assets		(35,620,620)	(32,428,878)
Acquisition etc. of property, plant and equipment		(3,946,457)	(1,008,194)
Acquisition of fixed asset investments		(88,633)	(3,601,509)
Sale of fixed asset investments		1,416,220	0
Purchase of bonds in repurchase agreement		0	(75,838,604)
Loan in purchase agreement		44,481,076	29,363,326
Proceeds from bonds		811,488	0
Cash flows from investing activities		7,053,074	(83,513,859)
Free cash flows generated from operations and investments before financing		9,096,915	(99,330,784)

Repayments of loans etc.	(2,060,764)	(2,315,317)
Cash capital increase	81,263	425,934
Cash flows from financing activities	(1,979,501)	(1,889,383)
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Increase/decrease in cash and cash equivalents	7,117,414	(101,220,167)
Cash and cash equivalents beginning of year	66,626,014	167,846,181
Cash and cash equivalents end of year	73,743,428	66,626,014
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Cash and cash equivalents at year-end are composed of:		
Cash	76,344,722	67,808,643
Short-term bank loans	(2,601,294)	(1,182,629)
Cash and cash equivalents end of year	73,743,428	66,626,014
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Notes to consolidated financial statements

1 Events after the balance sheet date

On March 31, 2021 all outstanding shares of Planday A/S were acquired by Xero Limited, a publicly listed Company on the Australian stock exchange (trading symbol XRO). As a result, from March 31, 2021, the consolidated Planday group is wholly owned by Xero Limited and will continue to deliver and support its workforce management software as a service solution in the same manner as it was prior to being acquired.

In conjunction with the acquisition of Planday our bond facility with Nordea (see note 11 in parent notes) and our loan facility with Kreos (see note 18) have been closed and all related charges over the Company and its subsidiaries have been released.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	95,167,540	95,601,526
Pension costs	4,685,942	4,172,998
Other social security costs	3,414,689	2,976,936
Other staff costs	3,248,194	3,889,525
	106,516,365	106,640,985
Staff costs classified as assets	(35,594,668)	(20,363,674)
	70,921,697	86,277,311

Average number of full-time employees	192	184
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Executive Board	3,539,388	2,388,214
	3,539,388	2,388,214

3 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	25,652,860	19,862,595
Depreciation on property, plant and equipment	1,530,502	854,964
	27,183,362	20,717,559

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(5,255,226)	(5,119,419)
	(5,255,226)	(5,119,419)

5 Proposed distribution of profit/loss

	2020	2019
	DKK	DKK
Retained earnings	(32,547,669)	(40,985,652)
	(32,547,669)	(40,985,652)

6 Intangible assets

	Completed development projects DKK
Cost beginning of year	124,473,798
Additions	35,620,620
Cost end of year	160,094,418
Amortisation and impairment losses beginning of year	(54,420,593)
Amortisation for the year	(25,652,860)
Amortisation and impairment losses end of year	(80,073,453)
Carrying amount end of year	80,020,965

7 Development projects

Completed development projects relate to the further development of the Planday platform, specifically software to allow for smooth and efficient scheduling, communication, time tracking, reporting and staff management. Management has an expectation of positive earnings from each development project.

It is Management's assessment that the expected useful lives of the assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed projects at the reporting date.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,748,186	1,732,485
Additions	2,699,997	1,256,653
Disposals	(23,388)	0
Cost end of year	6,424,795	2,989,138
Depreciation and impairment losses beginning of year	(3,105,674)	(616,656)
Depreciation for the year	(1,221,926)	(308,576)
Depreciation and impairment losses end of year	(4,327,600)	(925,232)
Carrying amount end of year	2,097,195	2,063,906

9 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	10,000	4,702,352
Additions	0	88,632
Disposals	0	(1,416,220)
Cost end of year	10,000	3,374,764
Carrying amount end of year	10,000	3,374,764

10 Prepayments

Prepayments relate to prepaid rent, insurance, software subscriptions etc.

11 Contributed capital

	Number	Par value DKK	Nominal value DKK
A-shares	185,058	1	185,058
B1-shares	347,942	1	347,942
B2-shares	127,802	1	127,802
C-shares	298,329	1	298,329
V-shares	20	1	20
W-shares	4,776	1	4,776
Common shares	427,488	1	427,488
	1,391,415		1,391,415

12 Other payables

	2020 DKK	2019 DKK
Holiday pay obligation	6,015,684	1,872,338
Other costs payable	2,601,295	2,143,871
	8,616,979	4,016,209

13 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Other payables	2,838,939	2,455,594	8,616,979
	2,838,939	2,455,594	8,616,979

14 Bank loans

The Parent company has entered into a repurchase agreement with Nordea. See the description in note 11 in parent notes for further details.

15 Deferred income

Deferred income is composed of subscription based revenue already invoiced, relating to the subsequent year.

16 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in receivables	922,196	(206,509)
Increase/decrease in trade payables etc.	6,417,124	4,699,273
	7,339,320	4,492,764

17 Contingent liabilities

	2020 DKK	2019 DKK
Other contingent liabilities	38,663,837	32,313,000
Contingent liabilities	38,663,837	32,313,000

Contingent liabilities consists of liabilities under rental or lease agreements until maturity.

18 Assets charged and collateral

A floating charge of nominally DKK 10,5 million, have been posted for Kreos Capital Limited. The floating charge provides security in intangible assets, property, plant and equipment and trade receivables. The total carrying amount of these assets is DKK 86,887,717 (Prior year: DKK 77,771,101).

19 Subsidiaries

	Registered in	Corporate form	Ownership %
Planday AS	Norway	AS	100
Planday Inc	USA	Inc	100
Planday Ltd.	UK	Ltd.	100
Planday GmbH	Germany	GmbH	100

Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		25,232,250	15,793,579
Staff costs	2	(35,230,340)	(42,878,723)
Depreciation, amortisation and impairment losses	3	(26,953,077)	(20,594,215)
Operating profit/loss		(36,951,167)	(47,679,359)
Other financial income		11,441	1,779,490
Other financial expenses		(2,089,726)	(1,530,786)
Profit/loss before tax		(39,029,452)	(47,430,655)
Tax on profit/loss for the year	4	5,500,000	5,500,000
Profit/loss for the year	5	(33,529,452)	(41,930,655)

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	7	80,020,963	70,245,720
Intangible assets	6	80,020,963	70,245,720
Other fixtures and fittings, tools and equipment		1,929,661	522,909
Leasehold improvements		1,877,728	929,650
Property, plant and equipment	8	3,807,389	1,452,559
Investments in group enterprises		62,106	62,106
Deposits		2,338,218	3,345,415
Financial assets	9	2,400,324	3,407,521
Fixed assets		86,228,676	75,105,800
Trade receivables		3,059,365	3,486,496
Receivables from group enterprises		1,117,033	3,345,903
Other receivables		230,117	1,882,155
Tax receivable		5,500,000	5,500,012
Prepayments	10	2,572,084	924,547
Receivables		12,478,599	15,139,113
Other investments	11	75,027,116	75,838,604
Investments		75,027,116	75,838,604
Cash		72,983,076	63,668,229
Current assets		160,488,791	154,645,946
Assets		246,717,467	229,751,746

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		1,391,415	1,391,415
Reserve for development costs		64,430,130	54,657,348
Retained earnings		73,835,325	117,056,296
Equity		139,656,870	173,105,059
Other payables	12	8,894,728	4,016,210
Non-current liabilities other than provisions	13	8,894,728	4,016,210
Current portion of non-current liabilities other than provisions	13	0	2,455,594
Bank loans	14	75,027,030	30,545,954
Trade payables		2,753,167	5,637,588
Payables to group enterprises		5,227,010	5,885,218
Other payables		12,991,189	6,406,868
Deferred income	15	2,167,473	1,699,255
Current liabilities other than provisions		98,165,869	52,630,477
Liabilities other than provisions		107,060,597	56,646,687
Equity and liabilities		246,717,467	229,751,746
Events after the balance sheet date	1		
Contingent liabilities	16		
Assets charged and collateral	17		

Parent statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,391,415	54,657,348	117,056,294	173,105,057
Increase of capital	0	0	81,263	81,263
Transfer to reserves	0	9,772,782	(9,772,782)	0
Profit/loss for the year	0	0	(33,529,450)	(33,529,450)
Equity end of year	1,391,415	64,430,130	73,835,325	139,656,870

Notes to parent financial statements

1 Events after the balance sheet date

On March 31, 2021 all outstanding shares of Planday A/S were acquired by Xero Limited, a publicly listed Company on the Australian stock exchange (trading symbol XRO). As a result, from March 31, 2021, the consolidated Planday group is wholly owned by Xero Limited and will continue to deliver and support its workforce management software as a service solution in the same manner as it was prior to being acquired.

In conjunction with the acquisition of Planday our bond facility with Nordea (see note 11) and our loan facility with Kreos (see note 17) have been closed and all related charges over the Company and its subsidiaries have been released.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	63,161,905	53,986,713
Pension costs	4,199,680	3,632,915
Other social security costs	1,120,022	1,312,277
Other staff costs	2,343,401	4,310,492
	70,825,008	63,242,397
Staff costs classified as assets	(35,594,668)	(20,363,674)
	35,230,340	42,878,723

Average number of full-time employees	131	95
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	Remuneration of manage- ment 2020 DKK	Remuneration of manage- ment 2019 DKK
Executive Board	3,539,388	2,388,214
	3,539,388	2,388,214

3 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	25,652,860	19,862,595
Depreciation on property, plant and equipment	1,300,217	731,620
	26,953,077	20,594,215

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(5,500,000)	(5,500,000)
	(5,500,000)	(5,500,000)

5 Proposed distribution of profit and loss

	2020	2019
	DKK	DKK
Retained earnings	(33,529,452)	(41,930,652)
	(33,529,452)	(41,930,652)

6 Intangible assets

	Completed development projects DKK
Cost beginning of year	124,473,798
Additions	35,620,620
Cost end of year	160,094,418
Amortisation and impairment losses beginning of year	(54,420,595)
Amortisation for the year	(25,652,860)
Amortisation and impairment losses end of year	(80,073,455)
Carrying amount end of year	80,020,963

7 Development projects

Completed development projects relate to the further development of the Planday platform, specifically software to allow for smooth and efficient scheduling, communication, time tracking, reporting and staff management. It is Management's assessment that the expected useful lives of the assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed projects at the reporting date.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,542,456	1,469,459
Additions	2,409,032	1,256,654
Disposals	(10,639)	0
Cost end of year	5,940,849	2,726,113
Depreciation and impairment losses beginning of year	(3,019,547)	(539,809)
Depreciation for the year	(991,641)	(308,576)
Depreciation and impairment losses end of year	(4,011,188)	(848,385)
Carrying amount end of year	1,929,661	1,877,728

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	62,106	3,345,415
Additions	0	14,240
Disposals	0	(1,021,437)
Cost end of year	62,106	2,338,218
Carrying amount end of year	62,106	2,338,218

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

10 Prepayments

Prepayments relate to prepaid rent, insurance, software subscriptions etc.

11 Other investments

Other investments relate to investments in listed bonds. In order to optimize cash management, the company has entered into a repurchase agreement with Nordea. As part of the agreement, Planday has purchased listed bonds. With short notice, Planday can sell the bonds to Nordea, with a obligation to repurchase the bonds at a future date. The bond coupon is incorporated into the forward price. As Planday maintains all material risks and benefits related to the bonds, the bonds and the related debt at 31 December 2020 has been presented as gross values. At 31 December 2020, DKK 75,027,030 of the amount recognized as bank loans under current liabilities, relates to the repurchase agreement.

12 Other payables

	2020 DKK	2019 DKK
Holiday pay obligation	6,055,789	1,872,338
Other costs payable	2,838,939	2,143,872
	8,894,728	4,016,210

13 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK
Other payables	2,455,594	8,894,728
	2,455,594	8,894,728

14 Bank loans

The Parent company has entered into a repurchase agreement with Nordea. See the description in note 11 for further details.

15 Deferred income

Deferred income is composed of subscription based revenue already invoiced, relating to the subsequent year.

16 Contingent liabilities

	2020 DKK	2019 DKK
Other contingent liabilities	24,769,275	24,769,000
Contingent liabilities	24,769,275	24,769,000

Contingent liabilities consists of liabilities under rental or lease agreements until maturity.

17 Assets charged and collateral

A floating charge of nominally DKK 10,5 million, have been posted for Kreos Capital Limited. The floating charge provides security in intangible assets, property, plant and equipment and trade receivables. The total carrying amount of these assets is DKK 86,887,717 (Prior year: DKK 77,771,101).

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises cost directly related to revenue.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in

question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights.

The amortisation period used are 5 years.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance

sheet date and unlisted investments measured at the lower of cost and net realisable value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.