



QualiWare Holding ApS

Ryttermarken 15
3520 Farum
CVR No. 28295030

Annual report 2023

The Annual General Meeting adopted the annual report on 10.06.2024

Peter Sørensen
Chairman of the General Meeting

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Entity details

Entity

QualiWare Holding ApS
Ryttermarken 15
3520 Farum

Business Registration No.: 28295030
Registered office: Furesø
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Gitte Strandly
Thue Winther-Jørgensen
Kuno Brodersen
Usman Ali Munawar
Jacob Dreyer Lund
Rune Hougaard Brodersen

Executive Board

Kuno Brodersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of QualiWare Holding ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Farum, 24.05.2024

Executive Board

Kuno Brodersen

Board of Directors

Gitte Strandly

Thue Winther-Jørgensen

Kuno Brodersen

Usman Ali Munawar

Jacob Dreyer Lund

Rune Hougaard Brodersen

Independent auditor's report

To the shareholders of QualiWare Holding ApS

Opinion

We have audited the financial statements of QualiWare Holding ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant

Identification No (MNE) mne31543

Management commentary

Primary activities

The Company's objective is to own investments in associates and group enterprises.

The company owns the rights to QualiWare's software. The development of the software takes place in a subsidiary. The company sells the software globally through subsidiaries and partners, and performs work for both large and medium-sized companies in all industries and in both public and private organizations.

The group develops software for business strategy, enterprise architecture, quality assurance, business descriptions, risk management and management.

QualiWare's customers use our products and services primarily in connection with ongoing improvements or significant strategic changes in their business. QualiWare has developed a special product functionality and working methods to help a company make these changes in a positive way for its employees and stakeholders. These principles are based on modern Scandinavian management philosophy and focus, among other things, on employee involvement, delegation of responsibility, target management, flat organisation, trust rather than control, etc. This unique approach gives us a competitive advantage in Scandinavia and modern innovative companies, among others.

Development in activities and finances

Profit for the year is DKK 913k against a loss of 18,397k in 2022.

The company considers the realized revenue and result for 2023 as unsatisfactory, but expected in connection with the planned investment and growth strategy.

The QualiWare group has a total EBIDTA of DKK 4.2 million, and realizes a total consolidated profit before tax of DKK'000 434.

The development of a cloud solution for the product and the option to rent licenses has meant a shorter sales cycle and an increased influx of new customers. The company is in a transformation process where more and more customers choose a rental solution rather than buying licenses. This solution means greater flexibility for customers and the ability to scale up and down as needed.

In 2023, the recognized analysis company Gartner has placed QualiWare as "Leaders" in their annual Magic Quadrant for Enterprise Architecture software. In addition, the analysis companies InfoTech and Quadrant Solutions have categorized QualiWare as "Leaders" in their assessment.

By 2023, QualiWare was represented in more than 16 countries on all continents. We are investing significantly in scaling sales of our software and expanding our partner circle over the coming years.

We expect an increase in both revenue and profit in the coming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		(153,498)	(51,625)
Income from investments in group enterprises		988,274	(15,513,151)
Other financial income	1	149,983	49,153
Financial expenses from group enterprises		0	(28,279)
Other financial expenses	2	(93,150)	(3,679,726)
Profit/loss before tax		891,609	(19,223,628)
Tax on profit/loss for the year	3	21,256	826,514
Profit/loss for the year		912,865	(18,397,114)
Proposed distribution of profit and loss			
Retained earnings		912,865	(18,397,114)
Proposed distribution of profit and loss		912,865	(18,397,114)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		13,043,280	13,720,364
Financial assets	4	13,043,280	13,720,364
Fixed assets		13,043,280	13,720,364
Receivables from group enterprises		3,008,458	3,843,263
Deferred tax		1,589,266	1,568,010
Other receivables		4,559	4,559
Receivables		4,602,283	5,415,832
Other investments		1,674,046	1,413,614
Other investments		1,674,046	1,413,614
Cash		6,610,182	6,123,934
Current assets		12,886,511	12,953,380
Assets		25,929,791	26,673,744

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	5	133,334	133,334
Reserve for net revaluation according to the equity method		12,325,430	12,268,795
Retained earnings		10,652,484	9,739,619
Equity		23,111,248	22,141,748
Provisions for investments in group enterprises		2,706,076	4,428,204
Provisions		2,706,076	4,428,204
Payables to group enterprises		50,836	50,836
Payables to associates		28,131	2,581
Other payables	6	33,500	50,375
Current liabilities other than provisions		112,467	103,792
Liabilities other than provisions		112,467	103,792
Equity and liabilities		25,929,791	26,673,744
Employees	7		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	133,334	12,268,795	9,739,619	22,141,748
Exchange rate adjustments	0	56,635	0	56,635
Profit/loss for the year	0	0	912,865	912,865
Equity end of year	133,334	12,325,430	10,652,484	23,111,248

Notes

1 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	146,414	41,863
Other interest income	3,569	7,290
	149,983	49,153

2 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from associates	(76)	0
Other interest expenses	122	0
Fair value adjustments	88,727	3,671,286
Other financial expenses	4,377	8,440
	93,150	3,679,726

3 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	(21,256)	(816,010)
Adjustment concerning previous years	0	(10,504)
	(21,256)	(826,514)

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	1,451,570
Disposals	(22,726)
Cost end of year	1,428,844
Revaluations beginning of year	12,268,794
Exchange rate adjustments	56,906
Share of profit/loss for the year	988,171
Investments with negative equity value transferred to provisions	(1,722,128)
Reversal regarding disposals	22,693
Revaluations end of year	11,614,436
Carrying amount end of year	13,043,280

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
QualiWare ApS	Farum	ApS	100	11,907,474	(582,099)
Qualiware Inc	USA	Inc	100	(2,145,314)	755,036
QualiWare AB	Stockholm	AB	74.40	698,390	(48,226)
Qualiware Consulting ApS	Farum	ApS	80.00	770,254	(92,825)
QualiWare Ltd.	England	Ltd	100	(560,761)	734,308

5 Treasury shares

	Number	Nominal value DKK	Recorded par value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Shares	5,333	5,333	5,333	4.00	16,721
Shares	5,333	5,333	5,333	4.00	60,000
Investments acquired	10,666	10,666	10,666	8.00	
Shares	5,333	5,333	4	5,333.00	
Shares	5,333	5,333	4	5,333.00	
Holding of treasury shares	10,666	10,666	8	10,666.00	

The company has repurchased some shares from former employee.

6 Other payables

	2023 DKK	2022 DKK
Other costs payable	33,500	50,375
	33,500	50,375

7 Employees

The Entity has no employees other than the Executive Board.

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

9 Assets charged and collateral

The entity has guaranteed the group enterprises' debt to the companies bank. Bank loans of groups enterprises amount at 0k 31 December 2023.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including

interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other investments

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 bank deposits.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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