
Inspari A/S

Skæringvej 88, DK-8520 Lystrup

Annual Report for 2023

CVR No. 29 17 89 25

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/4 2024

Alexander Diepold
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Inspari A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations and cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lystrup, 30 April 2024

Executive Board

Jens-Jacob Thuun Aarup
Manager

Board of Directors

Alexander Diepold
Chairman

Jens-Jacob Thuun Aarup

Patrick Kuske Kupitz

Independent Auditor's report

To the shareholders of Inspari A/S

Opinion

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 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Inspari A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus C, 30 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Berring Rasmussen

State Authorised Public Accountant

mne34157

Company information

The Company	Inspari A/S Skæringvej 88 DK-8520 Lystrup Telephone: 70 24 56 55 Website: www.inspari.dk CVR No: 29 17 89 25 Financial period: 1 January - 31 December Financial year: 18th financial year Municipality of reg. office: Aarhus
Board of Directors	Alexander Diepold, chairman Jens-Jacob Thuun Aarup Patrick Kuske Kupitz
Executive Board	Jens-Jacob Thuun Aarup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bankers	Jyske Bank

Financial Highlights

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

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	207,607	201,140	157,450	147,258	134,706
Gross profit	149,195	143,185	111,385	106,431	95,934
Profit/loss of primary operations	11,618	24,836	14,305	18,127	14,939
Profit/loss of financial income and expenses	-1,623	-770	395	-1,227	184
Net profit/loss for the year	7,200	18,566	11,523	13,142	11,716
Balance sheet					
Balance sheet total	65,768	66,846	48,306	62,897	52,293
Investment in property, plant and equipment	2,102	2,985	1,659	1,802	1,507
Equity	23,406	28,334	15,984	17,417	19,566
Cash flows					
Cash flows from:					
- operating activities	18,178	26,952	-5,365	26,032	12,255
- investing activities	-1,776	-5,888	-3,223	-2,249	-1,850
- financing activities	-20,294	-8,523	-15,409	-16,815	-5,386
Change in cash and cash equivalents for the year	-3,892	12,541	-23,997	6,968	5,019
Number of employees	149	130	109	98	98
Ratios					
Profit margin	5.6%	12.3%	9.1%	12.3%	11.1%
Return on assets	17.7%	37.2%	29.6%	28.8%	28.6%
Solvency ratio	35.6%	42.4%	33.1%	27.7%	37.4%
EBITDA	15,212	28,331	17,390	21,026	18,013
Return on equity	27.8%	83.8%	69.0%	71.1%	71.6%

Management's review

Key activities

Inspari is Denmark's leading data consultancy where we help our customers turn their valuable data into actionable assets.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 7,199,591, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 23,405,997.

In relation to the expected result for 2023, the result for the year is considered unsatisfactory, and it has been characterized by the uncertainty factors also described in 2022. These include an uncertain market and rising inflation.

In August 2023, Inspari A/S became a member of the German based valantic GmbH group, by acquisition of a majority stake in Inspari A/S mother company Inspari BE Holding ApS through a newly founded company in Denmark. This includes Inspari as a part of a large family with more than 4,000 new international colleagues, and in this connection, the company has used resources to ensure a successful integration. This integration has had a negative impact on the financial result, but is expected to have a positive impact in 2024 and beyond.

However, the year has seen growth in consulting revenue, significantly increased activities in cloud transformation, as well as a rapidly growing subscription-based software business and a strong ability to retain and attract employees.

Goals and expectations for the coming year

In 2024, the company expects to reap the synergies of the valantic ownership. In addition to continuing its strategic work to maintain its leading position in the Danish market for data, analytics and AI, Inspari is expected to become a larger part of valantic's footprint in the rest of Europe and create a strong Scandinavian platform for further growth. Continued investment in the company's resources is also expected, covering both upskilling existing employees and hiring new ones.

The company expects continued growth within its market, particularly driven by the desire for digital transformation and utilization of cloud-based data solutions.

Revenue and earnings in 2024 are expected to be 10% higher than in 2023.

Key assumptions and uncertainties

The increased focus on digitalization and an associated desire to leverage the data asset is driving demand from the company's customers. It is expected that 2024 will still generally show uncertainty and thus may have an effect on the company's growth ambition, however, a higher growth rate is expected than what we have seen in 2023. At the same time, there is still a shortage of skilled labor and this is seen as one of the biggest barriers by both the company and customers. For the same reason, the company still has a strong focus on attracting and retaining employees and has launched initiatives to ensure continued upskilling.

Environment and work environment

Inspari has sustainability as one of its core values. This means a number of internal employee-driven initiatives to ensure that the company itself acts as sustainably as possible, both socially and climate-wise. Inspari has two standard solutions that focus on the use of data in sustainability. A solution for smart building and an ESG solution. The company also continuously measures employee satisfaction on a number of parameters in order to constantly ensure the best possible working environment.

Management's review

Knowledge resources

As a consulting company, Inspari recognizes skilled employees as a significant resource. Over the years, the company has established procedures, standards and gained experience thanks to dedicated and ambitious employees. Internal competencies are continuously developed to keep Inspari at the forefront of both technological and business development. In a time when digitalization plays an increasingly important role in Danish business, the need to connect people and data is growing. This ability is exactly what Inspari is constantly refining.

To ensure employee retention, Inspari promotes a unique culture called "heartwork". This concept focuses on making room for ambitious employees and taking care of each other's development. At Inspari, heart and brain are involved - both professionally and personally - which is reflected in a sense of community, active knowledge sharing and, not least, trust in each other and respect for each individual's personal life situation.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue		207,607,386	201,140,260
Work on own account recognised in assets		0	569,857
Other operating income		113,478	26,165
Direct expenses		-39,812,708	-39,333,559
Other external expenses		-18,712,670	-19,217,551
Gross profit		149,195,486	143,185,172
Staff expenses	1	-133,983,456	-114,854,322
Earnings Before Interest Taxes Depreciation and Amortization		15,212,030	28,330,850
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-3,592,256	-3,494,356
Other operating expenses		-2,084	0
Profit/loss before financial income and expenses		11,617,690	24,836,494
Income from investments in subsidiaries		-1,761,516	-867,930
Financial income	2	530,849	449,544
Financial expenses	3	-392,666	-351,994
Profit/loss before tax		9,994,357	24,066,114
Tax on profit/loss for the year	4	-2,794,766	-5,500,018
Net profit/loss for the year	5	7,199,591	18,566,096

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		1,848,989	3,341,205
Intangible assets	6	1,848,989	3,341,205
Other fixtures and fittings, tools and equipment		3,618,045	3,728,637
Property, plant and equipment	7	3,618,045	3,728,637
Investments in subsidiaries	8	1,945,554	2,507,070
Other receivables	9	1,650,020	1,346,993
Fixed asset investments		3,595,574	3,854,063
Fixed assets		9,062,608	10,923,905
Trade receivables		34,514,336	31,594,141
Contract work in progress	10	1,518,109	2,699,100
Receivables from group enterprises		7,915,421	4,690,948
Other receivables		2,249,543	1,497,513
Deferred tax asset	11	1,466,638	0
Prepayments	12	1,695,388	2,648,593
Receivables		49,359,435	43,130,295
Current asset investments	13	0	1,555,498
Cash at bank and in hand		7,345,522	11,236,517
Current assets		56,704,957	55,922,310
Assets		65,767,565	66,846,215

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		850,000	850,000
Reserve for development costs		1,442,210	2,606,138
Retained earnings		12,613,787	7,877,869
Proposed dividend for the year		8,500,000	17,000,000
Equity		23,405,997	28,334,007
Provision for deferred tax	11	0	610,995
Provisions		0	610,995
Lease obligations		0	449,657
Long-term debt	14	0	449,657
Lease obligations	14	449,658	109,345
Prepayments received from customers		3,791,228	6,649,381
Trade payables		6,787,629	9,259,708
Payables to group enterprises		40,246	0
Corporation tax		0	2,147,021
Other payables		31,292,807	19,286,101
Short-term debt		42,361,568	37,451,556
Debt		42,361,568	37,901,213
Liabilities and equity		65,767,565	66,846,215
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Subsequent events	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	850,000	2,606,138	7,877,869	17,000,000	28,334,007
Ordinary dividend paid	0	0	0	-17,000,000	-17,000,000
Contribution from group	0	0	32,674,141	0	32,674,141
Purchase of treasury shares	0	0	-2,690,271	0	-2,690,271
Sale of treasury shares	0	0	2,690,271	0	2,690,271
Other equity movements	0	0	-32,674,141	0	-32,674,141
Tax on other equity movements	0	0	4,872,399	0	4,872,399
Depreciation, amortisation and impairment for the year	0	-1,163,928	1,163,928	0	0
Net profit/loss for the year	0	0	-1,300,409	8,500,000	7,199,591
Equity at 31 December	850,000	1,442,210	12,613,787	8,500,000	23,405,997

Cash flow statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Result of the year		7,199,591	18,566,096
Adjustments	15	7,898,961	9,738,589
Change in working capital	16	5,138,445	1,591,972
Cash flow from operations before financial items		20,236,997	29,896,657
Financial income		480,959	449,544
Financial expenses		-392,666	-163,707
Cash flows from ordinary activities		20,325,290	30,182,494
Corporation tax paid		-2,147,021	-3,230,635
Cash flows from operating activities		18,178,269	26,951,859
Purchase of intangible assets		0	-569,857
Purchase of property, plant and equipment		-2,101,643	-2,860,231
Fixed asset investments made etc		-1,503,027	-3,418,720
Sale of property, plant and equipment		223,589	960,988
Current asset investments made		1,605,388	0
Cash flows from investing activities		-1,775,693	-5,887,820
Reduction of lease obligations		-109,344	-459,812
Repayment of payables to group enterprises		-3,184,227	-1,847,571
Purchase of treasury shares		-2,690,271	0
Sale of treasury shares		2,690,271	0
Other equity entries		0	284,406
Dividend paid		-17,000,000	-6,500,000
Cash flows from financing activities		-20,293,571	-8,522,977
Change in cash and cash equivalents		-3,890,995	12,541,062
Cash and cash equivalents at 1 January		11,236,517	-1,304,545
Cash and cash equivalents at 31 December		7,345,522	11,236,517
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7,345,522	11,236,517
Cash and cash equivalents at 31 December		7,345,522	11,236,517

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	115,971,585	100,802,134
Pensions	11,237,620	8,671,459
Other social security expenses	1,344,952	1,160,200
Other staff expenses	5,429,299	4,220,529
	<u>133,983,456</u>	<u>114,854,322</u>
Including remuneration to the Executive Board and Board of Directors	<u>2,344,122</u>	<u>2,391,524</u>
Average number of employees	<u>149</u>	<u>130</u>
	2023	2022
	DKK	DKK
2. Financial income		
Interest received from group enterprises	259,808	135,379
Other financial income	271,041	20,353
Exchange gains	0	293,812
	<u>530,849</u>	<u>449,544</u>
	2023	2022
	DKK	DKK
3. Financial expenses		
Other financial expenses	237,533	351,994
Exchange loss	155,133	0
	<u>392,666</u>	<u>351,994</u>
	2023	2022
	DKK	DKK
4. Income tax expense		
Current tax for the year	0	5,654,257
Deferred tax for the year	2,794,766	-154,239
	<u>2,794,766</u>	<u>5,500,018</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Profit allocation		
Proposed dividend for the year	8,500,000	17,000,000
Retained earnings	<u>-1,300,409</u>	<u>1,566,096</u>
	<u>7,199,591</u>	<u>18,566,096</u>

6. Intangible fixed assets

	<u>Completed development projects</u>
	DKK
Cost at 1 January	<u>7,831,638</u>
Cost at 31 December	<u>7,831,638</u>
Impairment losses and depreciation at 1 January	4,490,433
Depreciation for the year	<u>1,492,216</u>
Impairment losses and depreciation at 31 December	<u>5,982,649</u>
Carrying amount at 31 December	<u>1,848,989</u>

Development projects relate to the development of software for use together with the company's existing solutions. It is expected that the software will be sold in the current market to the company's existing customers.

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	<u>DKK</u>
Cost at 1 January	9,194,963
Additions for the year	2,101,643
Disposals for the year	<u>-780,460</u>
Cost at 31 December	<u>10,516,146</u>
Impairment losses and depreciation at 1 January	5,466,326
Depreciation for the year	2,100,040
Reversal of impairment and depreciation of sold assets	<u>-668,265</u>
Impairment losses and depreciation at 31 December	<u>6,898,101</u>
Carrying amount at 31 December	<u>3,618,045</u>
Including assets under finance leases amounting to	<u>499,991</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
8. Investments in subsidiaries		
Cost at 1 January	3,375,000	0
Additions for the year	1,200,000	3,375,000
Cost at 31 December	<u>4,575,000</u>	<u>3,375,000</u>
Value adjustments at 1 January	-867,930	0
Net profit/loss for the year	-1,546,078	-729,814
Amortisation of goodwill	-215,438	-138,116
Value adjustments at 31 December	<u>-2,629,446</u>	<u>-867,930</u>
Carrying amount at 31 December	<u>1,945,554</u>	<u>2,507,070</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>3,231,543</u>	<u>3,231,543</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Ambiant Group ApS	Lyngby-Taarbæk	40.000	100%

9. Other fixed asset investments

	Other receivables
	DKK
Cost at 1 January	1,346,993
Additions for the year	303,027
Cost at 31 December	<u>1,650,020</u>
Carrying amount at 31 December	<u>1,650,020</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
10. Contract work in progress		
Contract work in progress is recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	1,518,109	2,699,100
	1,518,109	2,699,100

	2023	2022
	DKK	DKK
11. Deferred tax asset		
Deferred tax asset at 1 January	-610,995	-765,234
Amounts recognised in the income statement for the year	-2,794,766	154,239
Amounts recognised in equity for the year	4,872,399	0
Deferred tax asset at 31 December	1,466,638	-610,995
Intangible assets	406,778	735,065
Property, plant and equipment	-251,974	-163,786
Accruals	161,953	162,696
Financial leasing	-98,925	-122,980
Tax loss carry-forward	-1,684,470	0
Transferred to deferred tax assets	1,466,638	0
	0	610,995

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset		
Calculated tax assets	1,466,638	0
Carrying amount	1,466,638	0

12. Prepayments

Prepayments are made up of prepaid costs relating to rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
13. Securities		
Bonds	0	1,555,498
	<u>0</u>	<u>1,555,498</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
14. Long-term debt		

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

After 5 years	0	0
Between 1 and 5 years	0	449,657
Long-term part	0	449,657
Within 1 year	449,658	109,345
	<u>449,658</u>	<u>559,002</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
15. Cash flow statement - Adjustments		
Financial income	-530,849	-449,544
Financial expenses	392,666	351,994
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,480,862	3,468,191
Income from investments in subsidiaries	1,761,516	867,930
Tax on profit/loss for the year	2,794,766	5,500,018
	<u>7,898,961</u>	<u>9,738,589</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
16. Cash flow statement - Change in working capital		
Change in receivables	-1,538,029	-5,967,636
Change in trade payables, etc	6,676,474	7,559,608
	<u>5,138,445</u>	<u>1,591,972</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
17. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	593,300	336,063
Between 1 and 5 years	742,394	264,870
	<u>1,335,694</u>	<u>600,933</u>
Lease obligations, period of non-terminability 6 months	2,431,847	2,303,743

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. valantic DK ApS is the management company of the joint taxation. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company has pledged a corporate mortgage of DKK 5 million with Jyske Bank in operating assets, inventories, vehicles never registered, intellectual property rights and operating inventory/equipment.

Notes to the Financial Statements

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Inspari BE Holding ApS	Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
VAL FCV TopCo S.à.r.l	Luxembourg (LU)
Inspari BE Holding ApS	Aarhus

The Group Annual Report of VAL FCV TopCo S.à.r.l may be obtained at the following address:
VAL FCV TopCo S.à.r.l, 43, Avenue John F. Kennedy, Luxembourg, L-1855, Luxembourg

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Inspari A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Inspari BE Holding ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

Fixed assets purchased in foreign currency are measured at the exchange rate on the day of the transaction.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	1-10 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of rent deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$