

McGraw-Hill Education (Denmark) ApS

Njalsgade 76, 4., 2300 København S

CVR no. 29 21 35 50

Annual report 2022/23

Approved at the Company's annual general meeting on 1 November 2023

Chair of the meeting:

DocuSigned by:
Rikke Louise Steenberg
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Rikke Louise Steenberg

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 April 2022 - 31 March 2023	8
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of McGraw-Hill Education (Denmark) ApS for the financial year 1 April 2022 - 31 March 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 of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 1 November 2023
Executive Board:

DocuSigned by:
Brian Richter
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Brian Richter

DocuSigned by:
Nathan Olson
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Nathan James Olson

DocuSigned by:
Christopher Knight
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Christopher Phillip Knight

Independent auditor's report

To the shareholders of McGraw-Hill Education (Denmark) ApS

Opinion

We have audited the financial statements of McGraw-Hill Education (Denmark) ApS for the financial year 1 April 2022 - 31 March 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

Emphasis of matter in the financial statements

We draw attention to note 2 to the financial statements, which describes the material uncertainty associated with the outcome of legal proceedings instituted by the Danish tax authorities against the Company.

We have not modified our opinion in respect of this matter.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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:

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 1 November 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456

Management's review

Company details

Name	McGraw-Hill Education (Denmark) ApS
Address, Postal code, City	Njalsgade 76, 4., 2300 København S
CVR no.	29 21 35 50
Registered office	København
Financial year	1 April 2022 - 31 March 2023
Executive Board	Brian Richter Nathan James Olson Christopher Phillip Knight
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company's primary activity is to provide services and consultancy activities to group related companies.

Recognition and measurement uncertainties

Recognition and measurement uncertainties relates to "Deferred tax assets" and "Income taxes receivable", and occurs due to a dispute with the Danish Tax Authorities:

In August 2017, the Danish Tax Authorities initiated an audit of the Company's transfer pricing agreements in the period between 2014-2019. The tax-audit relates to two topics;

- Taxation of Royalty-income
- Exit taxation.

In September 2021 the Danish Tax Authorities released their ruling regarding the royalty income for period 2014-2016 and the Exit-taxation, which stated that both topics was subject to tax.

The company disagrees with ruling from September 2021 by the Danish Tax Authorities and has in December 2021, appealed the ruling to the Danish Tax Appeals Agency and challenged the positions of the Danish Tax Authorities.

In February 2022, the company deposited the full tax claim and paid interest related to the ruling, due to interest charges that apply to the claim during deferral.

As of September 2023, the court date for the appeal have not been set. The company does not expect the appeal to be concluded within a year from 31 March 2023.

Accounts affected by the uncertainties from the tax dispute:

- Deferred tax assets: As of 31 March 2023, the full deposited tax claims remain unchanged from prior year and amounts to DKK 148.7 million (deposited in February 2022).

- Income taxes receivable: According to section below "Unusual matters having affected the financial statements", the company have in the current financial year identified and corrected material misstatements from prior years. Tax in relation to these corrections amounts to DKK 26,9 million, which have been capitalized within Income taxes receivable. Furthermore - within Income taxes receivable - the company has capitalized DKK 7,1 million relating to an objection from the company regarding the ruling of Taxation of Royalty-income.

The outcome of the appeal is in its nature connected with uncertainty, and recognition and measurement of above mentioned, is therefore associated with uncertainty, as management assess that the appeal of the tax dispute will influent all tax matters mentioned above.

Unusual matters having affected the financial statements

During the current financial year, the Company has identified the following material misstatements from prior years:

1. Revenue for the period 2018-2021/22 has been recognised incorrectly.
2. Intercompany payable has been recognised with an incorrect amount.

The revenue misstatements relate to royalty income from group-related company, where revenue has been recognised based on usage of a specific software program owned by the Company. During the above-mentioned period, the software program has been continuously phased out, which has not been reflected in the recognised revenue. Thus, royalty income for the above-mentioned period is overstated.

The misstatement regarding intercompany payable relates to misstatement in connection with change in ownership in 2014, where the Company have overstated intercompany payable.

As a result of above mentioned, the Company's revenue, financials, tax for the year, intercompany payables and equity in prior financial years is overstated, and the financial statements for 2021/22 do not give a true and fair view. Therefore, the prior year misstatements have been corrected as a material misstatement by restating comparatives and in the opening equity figures in the current-year financial statements.

Management's review

As a consequence of above, the financial figures for 2021/22 have been changed with:

- Gross profit for the financial year 2021/22 has been reduced by DKK 68.506 thousand
- Net financials for the financial year 2021/22 has been reduced by DKK 6.099 thousand
- Tax for the year for the financial year 2021/22 has been reduced by DKK 15.071 thousand
- Result for the year for the financial year 2021/22 has been reduced by DKK 59.534 thousand
- The equity at 1 April 2021 has been negatively affected by DKK 56.290 thousand and negative affected by DKK 115.824 thousand at 31 March 2022.

Financial review

The income statement for 2022/23 shows a loss of DKK 2,938 thousand against a loss of DKK 4,740 thousand last year, and the balance sheet at 31 March 2023 shows a negative equity of DKK 9,038 thousand.

Capital resources and loss of equity

Due to correction of material misstatements, the Company has lost more than half of the share capital and is thus subject to the capital loss rules in section 119 of the Danish Companies Act. In October 2023, the equity has been reestablished with a debt conversion according to "Events after the balance sheet date" below.

The parent company, McGraw-Hill LLC has furthermore submitted a letter of support in which they declare to provide the necessary capital to the company up to and including 31 March 2024. Based hereon, the executive board considers it is appropriate to present the annual report as going concern.

Furthermore, refer to note 3 in the annual report.

Events after the balance sheet date

The parent company, McGraw-Hill LLC has in October 2023 converted DKK 200 mio. of the intercompany loan to equity, by issuance of 1 share of nominal DKK 1 and DKK 199,999,999 as share premium.

Besides above mentioned, no other events have occurred after the balance sheet date.

Financial statements 1 April 2022 - 31 March 2023**Income statement**

Note	DKK'000	<u>2022/23</u>	<u>2021/22</u>
	Gross profit	7,162	11,504
5	Staff costs	-5,880	-6,307
	Depreciation of property, plant and equipment	-20	-30
	Profit before net financials	<u>1,262</u>	<u>5,167</u>
	Financial expenses	-3,861	-226
	Profit/loss before tax	<u>-2,599</u>	<u>4,941</u>
6	Tax for the year	-339	-9,681
	Profit/loss for the period	<u><u>-2,938</u></u>	<u><u>-4,740</u></u>
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-2,938</u>	<u>-4,740</u>
		<u><u>-2,938</u></u>	<u><u>-4,740</u></u>

Financial statements 1 April 2022 - 31 March 2023**Balance sheet**

Note	DKK'000	<u>2022/23</u>	<u>2021/22</u>
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	10	150
	Leasehold improvements	0	11
		<u>10</u>	<u>161</u>
	Total fixed assets	<u>10</u>	<u>161</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	602	504
7	Deferred tax assets	148,732	148,734
	Income taxes receivable	39,918	40,962
	Other receivables	920	73
		<u>190,172</u>	<u>190,273</u>
	Cash	4,269	1,427
	Total non-fixed assets	<u>194,441</u>	<u>191,700</u>
	TOTAL ASSETS	<u>194,451</u>	<u>191,861</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125	125
	Retained earnings	-9,163	-6,225
	Total equity	<u>-9,038</u>	<u>-6,100</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	1,153	1,011
	Payables to group entities	201,324	145,368
8	Income taxes payable	0	50,438
	Other payables	1,012	1,144
		<u>203,489</u>	<u>197,961</u>
	Total liabilities other than provisions	<u>203,489</u>	<u>197,961</u>
	TOTAL EQUITY AND LIABILITIES	<u>194,451</u>	<u>191,861</u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Capital ratio
- 4 Events after the balance sheet date
- 9 Contractual obligations and contingencies, etc.
- 10 Contingent assets
- 11 Related parties

Financial statements 1 April 2022 - 31 March 2023**Statement of changes in equity**

DKK'000	Share capital	Retained earnings	Total
Equity at 1 April 2021	125	54,805	54,930
Correction of material misstatements	0	-56,290	-56,290
Adjusted equity at 1 April 2021	125	-1,485	-1,360
Transfer through appropriation of loss	0	-4,740	-4,740
Equity at 1 April 2022	125	-6,225	-6,100
Transfer through appropriation of loss	0	-2,938	-2,938
Equity at 31 March 2023	125	-9,163	-9,038

Due to correction of material misstatements, the Company has lost more than half of the share capital and is thus subject to the capital loss rules in section 119 of the Danish Companies Act. In October 2023, the equity has been reestablished. Refer to note 3 for further description hereof.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies

The annual report of McGraw-Hill Education (Denmark) ApS for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Material misstatements

During the current financial year, the Company has identified the following material misstatements from prior years:

- 1. Revenue for the period 2018-2021/22 has been recognised incorrectly.
- 2. Intercompany payable has been recognised with an incorrect amount.

The revenue misstatements relate to royalty income from group-related company, where revenue has been recognised based on usage of a specific software program owned by the Company. During the above-mentioned period, the software program has been continuously phased out, which has not been reflected in the recognised revenue. Thus, royalty income for the above-mentioned period is overstated.

The misstatement regarding intercompany payable relates to misstatement in connection with change in ownership in 2014, where the Company have overstated intercompany payable.

As a result of above mentioned, the Company's revenue, financials, tax for the year, intercompany payables and equity in prior financial years is overstated, and the financial statements for 2021/22 do not give a true and fair view. Therefore, the prior year misstatements have been corrected as a material misstatement by restating comparatives and in the opening equity figures in the current-year financial statements.

As a consequence of above, the financial figures for 2021/22 have been changed with:

- Gross profit for the financial year 2021/22 has been reduced by DKK 68.506 thousand
- Net financials for the financial year 2021/22 has been reduced by DKK 6.099 thousand
- Tax for the year for the financial year 2021/22 has been reduced by DKK 15.071 thousand
- Result for the year for the financial year 2021/22 has been reduced by DKK 59.534 thousand
- The equity at 1 April 2021 has been negatively affected by DKK 56.290 thousand and negative affected by DKK 115.824 thousand at 31 March 2022.

Reporting currency

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

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of services is recognised in the income statement as the services are delivered if the income can be measured reliably and is expected to be received.

Services and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue and other external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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

Cash

Cash comprise bank deposits.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Deferred tax is measured based on the tax rules and tax rates applicable in pursuance of the legislation in force on the balance sheet date when the deferred tax is expected to become payable as current tax. Any change in deferred tax as a consequence of changes in tax rates are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Recognition and measurement uncertainties

Recognition and measurement uncertainties relates to "Deferred tax assets" and "Income taxes receivable", and occurs due to a dispute with the Danish Tax Authorities:

In August 2017, the Danish Tax Authorities initiated an audit of the Company's transfer pricing agreements in the period between 2014-2019. The tax-audit relates to two topics;

- Taxation of Royalty-income
- Exit taxation.

In September 2021 the Danish Tax Authorities released their ruling regarding the royalty income for period 2014-2016 and the Exit-taxation, which stated that both topics was subject to tax.

The company disagrees with ruling from September 2021 by the Danish Tax Authorities and has in December 2021, appealed the ruling to the Danish Tax Appeals Agency and challenged the positions of the Danish Tax Authorities.

In February 2022, the company deposited the full tax claim and paid interest related to the ruling, due to interest charges that apply to the claim during deferral.

As of September 2023, the court date for the appeal have not been set. The company does not expect the appeal to be concluded within a year from 31 March 2023.

Accounts affected by the uncertainties from the tax dispute:

- Deferred tax assets: As of 31 March 2023, the full deposited tax claims remain unchanged from prior year and amounts to DKK 148.7 million (deposited in February 2022).

- Income taxes receivable: According to section within accounting policies, the company have in the current financial year identified and corrected material misstatements from prior years. Tax in relation to these corrections amounts to DKK 26,9 million, which have been capitalized within Income taxes receivable. Furthermore - within Income taxes receivable - the company has capitalized DKK 7,1 million relating to an objection from the company regarding the ruling of Taxation of Royalty-income.

The outcome of the appeal is in its nature connected with uncertainty, and recognition and measurement of above mentioned, is therefore associated with uncertainty, as management assess that the appeal of the tax dispute will influent all tax matters mentioned.

Financial statements 1 April 2022 - 31 March 2023**Notes to the financial statements****3 Capital ratio**

Due to correction of material misstatements, the Company has lost more than half of the share capital and is thus subject to the capital loss rules in section 119 of the Danish Companies Act. In October 2023, the equity has been reestablished with a debt conversion according to "Events after the balance sheet date" below.

The parent company, McGraw-Hill LLC has furthermore submitted a letter of support in which they declare to provide the necessary capital to the company up to and including 31 March 2024. Based hereon, the executive board considers it is appropriate to present the annual report as going concern.

4 Events after the balance sheet date

The parent company, McGraw-Hill LLC has in October 2023 converted DKK 200 mio. of the intercompany loan to equity, by issuance of 1 share of nominal DKK 1 and DKK 199,999,999 as share premium.

Besides above mentioned, no other events have occurred after the balance sheet date.

DKK'000	<u>2022/23</u>	<u>2021/22</u>
5 Staff costs		
Wages/salaries	5,417	5,792
Pensions	<u>463</u>	<u>515</u>
	<u>5,880</u>	<u>6,307</u>
Average number of full-time employees	<u>7</u>	<u>8</u>
6 Tax for the year		
Estimated tax charge for the year	337	2,506
Deferred tax adjustments in the year	2	-3
Tax adjustments, prior years	<u>0</u>	<u>7,178</u>
	<u>339</u>	<u>9,681</u>

Tax adjustments, prior years comprises tax in respect of Royalty-income for the period 2014-2019.

7 Deferred tax

Deferred tax primarily consists of deposits of tax in relation to exit-taxation in the dispute with the Danish tax authorities. As of 31 March 2023, the tax deposit remains unchanged from prior year and amounts to DKK 148.7 million and relates to Exit-taxation. The company does not expect the appeal to be concluded within a year from 31 March 2023. Refer to note 2 for further explanation.

8 Income taxes payable

At 31 March 2022, income taxes payable comprises payable tax of Royalty-income in 2017-2019. The payable has been paid within the current financial year.

Financial statements 1 April 2022 - 31 March 2023**Notes to the financial statements****9 Contractual obligations and contingencies, etc.****Other financial obligations**

Other rent liabilities:

DKK'000	<u>2022/23</u>
Rent liabilities	<u>33,084</u>

Rent liabilities include a rent obligation totalling DKK 33,084. The rent agreement is terminable at any time during the entire rental period with 3 months' written notice.

10 Contingent assets

As mentioned within accounting policies and management review, the Company have made corrections of material misstatement from prior year.

Correction of revenue for the period 1 January - 31 December 2019 are part of the total material misstatement that have been corrected. Management have assessed not to recognize receivable income tax related to corrections in the above-mentioned period, as the period is part of the ongoing tax case as mentioned in note 3. Management will however pursue the receivable income tax in respect hereof amounting to DKK 3,262 thousand as of 31 March 2023.

11 Related parties**Information about consolidated financial statements**

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
McGraw-Hill LLC	New York	1325 Avenue of the Americas New York, NY 10019, USA