Auditdata A/S

Wildersgade 10, DK-1408 Copenhagen

Annual Report for 2023

CVR No. 29 52 65 32

The Annual Report was presented and adopted at the Annual General Meeting of the company on 28/6 2024

Martin Connie Pinborg
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Auditdata 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated 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.

Copenhagen, 28 June 2024

Executive Board

Kurt Groth Bager CEO	Martin Connie Pinborg Executive Officer

Board of Directors

Lars Rahbæk Boilesen Chairman	Claus Bak Petersen	Lars Christian Lunde
Frederik Mosegaard Knudsen		

Independent Auditor's report

To the shareholder of Auditdata A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Auditdata A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's report

Hellerup, 28 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Martin Lunden
State Authorised Public Accountant
mne32209

Company information

The Company	Auditdata A/S Wildersgade 10 1408 Copenhagen Telephone: +45 40 51 87 85 CVR No: 29 52 65 32 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Lars Rahbæk Boilesen, chairman Claus Bak Petersen Lars Christian Lunde Frederik Mosegaard Knudsen
Executive Board	Kurt Groth Bager Martin Connie Pinborg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Result before depreciations	18,266	14,825	10,626	17,158	11,932
Profit/loss of primary operations	1,121	489	-1,827	6,613	3,196
Profit/loss of financial income and expenses	-7,622	-1,836	-741	-5,024	-2,458
Net profit/loss for the year	-5,852	-1,033	-2,385	1,378	36
Balance sheet					
Balance sheet total	171,860	127,857	107,253	99,644	89,636
Investment in property, plant and equipment	307	1,427	2,036	1,083	2,524
Equity	3,986	8,792	10,864	14,093	6,791
Cash flows					
Cash flows from:					
- operating activities	6,714	9,162	14,313	16,755	13,167
- investing activities	-43,421	-28,054	-20,053	-17,014	-22,655
- financing activities	37,260	18,381	4,693	6,253	7,430
Change in cash and cash equivalents for the year	553	-511	-1,047	5,994	-2,058
Number of employees	142	125	116	98	89
Ratios					
Return on assets	0.7%	0.4%	-1.7%	6.6%	3.6%
Solvency ratio	2.3%	6.9%	10.1%	14.1%	7.6%
Return on equity	-91.6%	-10.5%	-19.1%	13.2%	0.5%

Management's review

Key activities

Established in 1992, Auditdata is an independent provider of data-driven audiology solutions helping hearing care providers to improve clinical care, customer satisfaction, and business operations. The Company is specialising in the development and sale of software and software-enabled instruments and serves both private and public sectors on a global scale.

The Company's offering includes Practice Management Systems (PMS) and a number of proprietary software-enabled audiologist instruments, all designed to enhance the overall patient care experience. As of today, more than 20,000 users across more than 50 countries use Auditdata software on a daily basis.

Market overview

Auditdata distributes its products globally through direct and indirect channels.

Development in the year

The income statement of the Group for 2023 shows a loss of TDKK 5,852, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 3,986.

In the year, Auditdata executed its growth strategy and gained market share in our core markets. For the Hospitals segment, this included the continued upgrading of hospitals to the latest version of our software system Auditbase. For the Retail sector, the Company launched a new version of the PMS software Manage, which is now being rolled out to the markets. In December, the Company also launched a new version of its software-enabled instruments, Measure. Both new launches mark a milestone in the product suite provided by Auditdata across its customers, and the Company expects both products to enable continued high growth in coming years.

In August 2023, the Company completed the acquisition of Acousoft, a Netherlands-based company that offers complimentary PMS software solutions primarily to the Dutch market. The Company plans to combine the strengths of Auditdata and Acousoft to bring continued value to the Dutch market's customers.

In 2023 the Company identified missing provisions for DKK 5.4 million and a exchange adjustment of DKK 1.3 million. The amounts is considered as an material misstatement. The miststament have been recognised as a equity adjustment and the comparison figures have been changed accordingly.

In the comparison figures the result have been reduced with DKK 4.1 million before taxes and DKK 2.9 after taxes for the group. The equity have decreased with DKK 4.2 million.

The past year and follow-up on development expectations from last year

The results for the year were below the guidance given last year. Management finds the result to be satisfactory given extra-ordinary costs related to M&A and refinancing of debt during the year.

Capital resources

In May 2023, the company refinanced its debt financing with a new term facility that runs to 2029. With the new financing in place, and a letter of comfort from the owners, the company has the financial resources to execute the growth strategy for 2024 and other planned activities. The capital resources are found to be adequate for the following financial year.

Foreign exchange risks

Foreign exchange risks relating to investments in foreign subsidiaries are not hedged. Main risk are related to income in local currency in end markets, primarily exposed to GBP, SEK and USD. Main risks are to some extent mitigated through having operational expenses in same currencies.

Management's review

Targets and expectations for the year ahead

The Company expects continued growth in the sale of our products, particularly to the private retail sector. Management expects a profit before depreciation and amortisation for 2024 in to end in the range amount of TDKK 30,000 to TDKK 40,000,

Research and development

To support the expected growth, we expect to continue our investments in the development of new products in the years to come.

External environment

Auditdata is inherently committed to integrating ESG responsibility into all its business practices, effectively demonstrating commitment to sustainability. The Company acknowledges that responsible business tactics are crucial to long-term growth. The Company’s work with ESG focus around 3 key pillars:

•Impact on climate
•Diversity and inclusion
•Anti-corruption and anti-bribery

As an organization working in healthcare, Auditdata links the health of the planet with the well-being and health of the people. The approach is implemented through a Climate Policy, a Gender Diversity and Inclusion Policy, and a Anti-corruption and Bribery Policy. The Company aims at achieving carbon neutrality by 2030, including priority for sustainable products and services, investment in renewable energy, reducing waste, and tracking progress year by year.

As the Group does not produce hardware but buys it from subcontractors, the direct impact on the external environment limited. Auditdata is working together with its main subcontractors to limit our overall carbon emissions and environmental footprint.

Intellectual capital resources

The Company knowledge resources are crucial to the future earnings, which is why supplementary education and practical training of employees are essential for the Group. Out of our employees, 24 % have a bachelor´s degree, 60 % have a master's degree, and 4 % have a PhD. We continuously ensure that employees receive relevant further training and development to maintain an efficient workforce.

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 Group and the results of the activities and cash flows of the Group 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

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Gross profit		**88,869**	**71,736**	**73,649**	**59,353**
Staff expenses	2	-70,603	-55,649	-56,326	-43,025
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-17,145	-15,598	-12,138	-11,415
Profit/loss before financial income and expenses		**1,121**	**489**	**5,185**	**4,913**
Income from investments in subsidiaries		0	0	-5,014	-4,539
Financial income	4	120	1,152	68	1,024
Financial expenses	5	-7,742	-2,988	-6,967	-2,967
Profit/loss before tax		**-6,501**	**-1,347**	**-6,728**	**-1,569**
Tax on profit/loss for the year	6	649	314	876	537
Net profit/loss for the year	7	**-5,852**	**-1,033**	**-5,852**	**-1,032**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		71,377	45,843	68,071	40,800
Customer relations		4,140	2,171	0	0
Acquired other similar rights		576	627	576	627
Goodwill		17,986	9,626	0	0
Development projects in progress		1,387	9,776	1,387	9,776
Intangible assets	8	**95,466**	**68,043**	**70,034**	**51,203**
Other fixtures and fittings, tools and equipment		2,130	3,348	1,268	2,027
Property, plant and equipment	9	**2,130**	**3,348**	**1,268**	**2,027**
Investments in subsidiaries	10	0	0	27,123	16,016
Deposits	11	511	487	511	487
Fixed asset investments		**511**	**487**	**27,634**	**16,503**
Fixed assets		**98,107**	**71,878**	**98,936**	**69,733**
Finished goods and goods for resale		9,766	3,181	8,689	2,074
Inventories		**9,766**	**3,181**	**8,689**	**2,074**
Trade receivables		41,939	37,177	32,048	22,416
Receivables from group enterprises		0	0	6,870	6,019
Other receivables		7,115	1,979	4,513	1,537
Corporation tax		4,541	3,179	4,541	3,179
Prepayments	12	1,665	2,289	1,368	1,490
Receivables		**55,260**	**44,624**	**49,340**	**34,641**
Cash at bank and in hand		**8,727**	**8,174**	**3,870**	**5,548**
Current assets		**73,753**	**55,979**	**61,899**	**42,263**
Assets		**171,860**	**127,857**	**160,835**	**111,996**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		1,513	1,513	1,513	1,513
Reserve for development costs		0	0	54,178	39,448
Reserve for exchange rate conversion		0	-1,262	557	-2,451
Retained earnings		2,473	8,541	-52,262	-29,717
Equity		**3,986**	**8,792**	**3,986**	**8,793**
Provision for deferred tax	13	10,774	7,109	10,774	7,109
Provisions relating to investments in group enterprises		0	0	11	426
Provisions		**10,774**	**7,109**	**10,785**	**7,535**
Credit institutions		78,402	0	78,402	0
Trade payables		0	3,725	0	3,725
Payables to owners and Management		0	29,000	0	29,000
Other payables		7,002	1,914	7,002	1,914
Long-term debt	14	**85,404**	**34,639**	**85,404**	**34,639**
Credit institutions	14	13,959	27,749	13,959	27,749
Prepayments received from customers		0	26	0	26
Trade payables	14	18,135	12,656	16,291	9,293
Payables to group enterprises		0	0	9,413	1,828
Payables to owners and Management	14	0	4,000	0	4,000
Corporation tax		388	0	0	0
Other payables	14	7,996	5,521	5,134	5,070
Deferred income	15	31,218	27,365	15,863	13,063
Short-term debt		**71,696**	**77,317**	**60,660**	**61,029**
Debt		**157,100**	**111,956**	**146,064**	**95,668**
Liabilities and equity		**171,860**	**127,857**	**160,835**	**111,996**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Going concern	1				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Subsequent events	20				
Accounting Policies	21				

Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,513	11,470	12,983
Net effect of correction of material misstatements	0	-4,189	-4,189
Adjusted equity at 1 January	1,513	7,281	8,794
Exchange adjustments	0	484	484
Other equity movements	0	560	560
Net profit/loss for the year	0	-5,852	-5,852
Equity at 31 December	**1,513**	**2,473**	**3,986**

Parent company

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,513	39,449	-1,189	-26,790	12,983
Net effect of correction of material misstatements	0	0	1,262	-5,451	-4,189
Adjusted equity at 1 January	1,513	39,449	73	-32,241	8,794
Exchange adjustments relating to foreign entities	0	0	484	0	484
Other equity movements	0	0	0	560	560
Development costs for the year	0	23,408	0	-23,408	0
Depreciation, amortisation and impairment for the year	0	-8,679	0	8,679	0
Net profit/loss for the year	0	0	0	-5,852	-5,852
Equity at 31 December	**1,513**	**54,178**	**557**	**-52,262**	**3,986**

The Company issues warrants to key employees entitling them to subscribe for B shares in the Company. The total value of issued warrants is DKK TDKK 1,224.

Warrants can only be exercised in connection with a sale of the Company, an IPO, etc. (exit event) and are conditional upon the employees being employed by the Company at that time. In addition, it is a prerequisite that, on exit, an average annual return has been achieved that exceeds a level stipulated in the agreements (hurdle rate). The exercise price is generally a price established at the time of issuance plus 10% p.a. Employees have paid a price for the warrants equal to the estimated fair value at the time of granting.

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		-5,852	-1,033
Adjustments	16	24,652	15,858
Change in working capital	17	-7,804	-6,355
Cash flow from operations before financial items		**10,996**	**8,470**
Financial income		120	1,152
Financial expenses		-7,742	-2,990
Cash flows from ordinary activities		**3,374**	**6,632**
Corporation tax paid		3,340	2,530
Cash flows from operating activities		**6,714**	**9,162**
Purchase of intangible assets		-43,090	-26,609
Purchase of property, plant and equipment		-307	-1,427
Fixed asset investments made etc		-24	-18
Cash flows from investing activities		**-43,421**	**-28,054**
Repayment of loans from credit institutions		-29,984	0
Repayment of other long-term debt		-33,000	5,371
Raising of loans from credit institutions		0	4,475
Raising of other long-term debt		99,684	8,000
Cash capital increase		0	1,400
Other equity entries		560	-865
Cash flows from financing activities		**37,260**	**18,381**
Change in cash and cash equivalents		**553**	**-511**
Cash and cash equivalents at 1 January		8,174	8,685
Cash and cash equivalents at 31 December		**8,727**	**8,174**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		8,727	8,174
Cash and cash equivalents at 31 December		**8,727**	**8,174**

Notes to the Financial Statements

1. Going concern

Auditdata has ongoing and planned activities to continue the growth strategy in coming years. To support the ongoing operations and activities and ensure financial stability the owners has ensured there is necessary capital support through a letter of comfort from the owners of up to DKK 15m.

2. Staff Expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	64,888	51,092	50,660	38,468
Pensions	4,195	4,142	4,195	4,142
Other social security expenses	312	326	263	326
Other staff expenses	1,208	89	1,208	89
	70,603	**55,649**	**56,326**	**43,025**
Including remuneration to the Executive Board and Board of Directors:				
Executive board	5,929	4,946	5,929	4,946
Board of directors	720	493	720	493
	6,649	**5,439**	**6,649**	**5,439**
Average number of employees	**142**	**125**	**97**	**66**

To read about the Company's incentive programme, please see the description under the statement of changes in equity.

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Impairment of intangible assets	15,724	14,278	11,377	10,540
Impairment of tangible assets	1,421	1,320	761	875
	17,145	**15,598**	**12,138**	**11,415**

Notes to the Financial Statements

4. Financial income

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Other financial income	120	6	68	6
Exchange adjustments	0	1,146	0	1,018
	120	**1,152**	**68**	**1,024**

5. Financial expenses

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Other financial expenses	6,687	2,988	5,912	2,967
Exchange adjustments, expenses	1,055	0	1,055	0
	7,742	**2,988**	**6,967**	**2,967**

6. Income tax expense

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	-4,314	-2,956	-4,541	-3,179
Deferred tax for the year	3,665	2,568	3,665	2,568
Adjustment of deferred tax concerning previous years	0	74	0	74
	-649	**-314**	**-876**	**-537**

7. Profit allocation

	Parent company 2023	Parent company 2022
	TDKK	TDKK
Retained earnings	-5,852	-1,032
	-5,852	**-1,032**

8. Intangible fixed assets

Group

	Completed develop-ment projects	Customer relations	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	127,394	4,804	1,140	41,000	9,776
Exchange adjustment	32	0	0	123	0
Additions for the year	28,622	2,576	200	10,305	1,387
Transfers for the year	9,776	0	0	0	-9,776
Cost at 31 December	165,824	7,380	1,340	51,428	1,387
Impairment losses and amortisation at 1 January	81,553	2,637	513	31,371	0
Exchange adjustment	53	0	0	43	0
Amortisation for the year	12,841	603	251	2,028	0
Impairment losses and amortisation at 31 December	94,447	3,240	764	33,442	0
Carrying amount at 31 December	**71,377**	**4,140**	**576**	**17,986**	**1,387**

The development projects completed by the Company concern the development of various types of software and instruments for hearing tests and office management systems. The developed projects are today part of the Company's product portfolio and sold in the present market to existing customers. The development projects in progress concern the development of new versions of software and hardware within all of our categories. The projects are proceeding as planned and are expected to be completed within 1 to 2 years. The projects are progressing according to plan. The new products are expected to be sold Company's existing customers through migration from older versions, which has end-of-life, as well as to new customers and in new markets.

Parent company

	Completed development projects	Acquired other similar rights	Goodwill	Develop-ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	115,481	1,140	17,926	9,776
Exchange adjustment	0	0	0	0
Additions for the year	28,622	200	0	1,387
Transfers for the year	9,776	0	0	-9,776
Cost at 31 December	153,879	1,340	17,926	1,387
Impairment losses and amortisation at 1 January	74,682	513	17,926	0
Exchange adjustment	0	0	0	0
Amortisation for the year	11,126	251	0	0
Impairment losses and amortisation at 31 December	85,808	764	17,926	0
Carrying amount at 31 December	**68,071**	**576**	**0**	**1,387**

9. Property, plant and equipment

	Group	**Parent company**
	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	10,274	6,163
Exchange adjustment	-261	0
Additions for the year	307	3
Disposals for the year	-1,274	0
Cost at 31 December	9,046	6,166
Impairment losses and depreciation at 1 January	6,927	4,137
Exchange adjustment	-158	0
Depreciation for the year	1,421	761
Reversal of impairment and depreciation of sold assets	-1,274	0
Impairment losses and depreciation at 31 December	6,916	4,898
Carrying amount at 31 December	**2,130**	**1,268**

10. Investments in subsidiaries

	Parent company 2023	Parent company 2022
	TDKK	TDKK
Cost at 1 January	25,809	25,809
Additions for the year	14,422	0
Cost at 31 December	40,231	25,809
Value adjustments at 1 January	-33,700	-27,587
Exchange adjustment	484	-1,574
Net profit/loss for the year	-2,930	-3,068
Amortisation of goodwill	-2,084	-1,471
Value adjustments at 31 December	-38,230	-33,700
Equity investments with negative net asset value amortised over receivables	25,111	23,481
Equity investments with negative net asset value transferred to provisions	11	426
Carrying amount at 31 December	**27,123**	**16,016**
Positive differences arising on initial measurement of subsidiaries at net asset value	26,921	14,040
Remaining positive difference included in the above carrying amount at	18,765	7,969

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Benoto ApS	Copenhagen	TDKK 125	100%
Auditdata Ukraine TOV	Ukraine	TUAH 4.721	100%
Auditdata North America Inc.	Pensylvania, USA	TUSD 0	100%
Auditdata Ltd.	Middlesex, England	TGBP 25	100%
Auditdata LLC.	Pensylvania, USA	TUSD 1.894	100%
Audidata Inc.	Ontario, Canada	TCAD 21	100%
Auditdata PTY Ltd.	Sydney, Australia		100%

Name	Place of registered office	Share capital	Ownership
Acousoft Informatisering B.V.	Etten-Leur, Netherlands	TEURO 246	100%

Benoto ApS is closed in 2023.

11. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	487	487
Additions for the year	24	24
Cost at 31 December	511	511
Carrying amount at 31 December	**511**	**511**

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums etc.

13. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	7,109	4,541	7,109	4,541
Amounts recognised in the income statement for the year	3,665	2,568	3,665	2,568
Deferred tax liabilities at 31 December	**10,774**	**7,109**	**10,774**	**7,109**

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:

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	75,219	0	75,219	0
Between 1 and 5 years	3,183	0	3,183	0
Long-term part	78,402	0	78,402	0
Other short-term debt to credit institutions	13,959	27,749	13,959	27,749
	92,361	**27,749**	**92,361**	**27,749**
Trade payables				
After 5 years	0	0	0	0
Between 1 and 5 years	0	3,725	0	3,725
Long-term part	0	3,725	0	3,725
Other short-term trade payables	18,135	12,656	16,291	9,293
	18,135	**16,381**	**16,291**	**13,018**
Payables to owner and Management				
After 5 years	0	0	0	0
Between 1 and 5 years	0	29,000	0	29,000
Long-term part	0	29,000	0	29,000
Within 1 year	0	4,000	0	4,000
	0	**33,000**	**0**	**33,000**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
14. Long-term debt				
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	7,002	1,914	7,002	1,914
Long-term part	7,002	1,914	7,002	1,914
Other short-term payables	7,996	5,521	5,134	5,070
	14,998	**7,435**	**12,136**	**6,984**

15. Deferred income

Deferred income excist of payments related to income the following year.

	Group	
	2023	2022
	TDKK	TDKK
16. Cash flow statement - Adjustments		
Financial income	-120	-1,152
Financial expenses	7,742	2,988
Depreciation, amortisation and impairment losses, including losses and gains on sales	17,145	15,598
Tax on profit/loss for the year	-649	-314
Exchange adjustments	534	-1,262
	24,652	**15,858**

	Group	
	2023	2022
	TDKK	TDKK
17. Cash flow statement - Change in working capital		
Change in inventories	-6,585	-576
Change in receivables	-9,274	-8,075
Change in trade payables, etc	8,055	2,296
	-7,804	**-6,355**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

	2023	2022	2023	2022
A company charge totalling TDKK 15.000 serving as a charge in intangible assets and property, plant and equipment, as well as inventories and trade receivables at a total carrying amount of	112,040	77,719	112,040	77,719

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	2023	2022	2023	2022
Within 1 year	42	13	42	13
	42	**13**	**42**	**13**
Rental obligations, non-cancellable period	2,427	2,728	1,729	2,681

Other contingent liabilities

The parent company has provided surety for Jyske Bank's balances with the subsidiaries Auditdata Ltd. and Auditdata North America Inc.

19. Related parties

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.

Transactions with related parties take place on an arm’s length basis and consist of the purchase of development services, the sale of products, software, etc. for resale, etc.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

20. Subsequent events

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

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Auditdata 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 Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Correction of material misstatements

In 2023 the Company identified missing provisions for DKK 5.4 million and a exchange adjustment of DKK 1.3 million. The amounts is considered as an material misstatement. The miststament have been recognised as a equity adjustment and the comparison figures have been changed accordingly.

In the comparison figures the result have been reduced with DKK 4.1 million before taxes and DKK 2.9 after taxes for the group. The equity have decreased with DKK 4.2 million.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Auditdata A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Notes to the Financial Statements

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

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 Group.

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 Group. 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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Development projects, patents and licences
Costs of development projects comprise salaries directly 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 Group 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.

Capitalized development costs related to software consists of development of existing software applications. The recognized amount is expected to be recovered by the continuing sales of service subscriptions which include the right to upgrade of the software to the newest versions.

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 years.

Goodwill
Goodwill are measured at cost less accumulated depreciation. Goodwill is amortised on a straight-line basis over the estimated useful life of 5 - 10 years.

Customer relations are measured at cost less accumulated depreciation. Customer relations is amortised on a straight-line basis over the estimated useful life of 5 - 10 years.

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.

Notes to the Financial Statements

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	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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.

If so, the asset is written down to its lower recoverable amount.

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 deduction or addition of unrealised intercompany profits or losses and 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 deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Notes to the Financial Statements

Prepayments

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

Equity

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group'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 Group'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”.

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity