ProCon Solution A/S

Stationsparken 25, DK-2600 Glostrup

Annual Report for 2023

CVR No. 30 60 04 36

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/5 2024

Carl Aage Nielsen
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 ProCon Solution 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 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.

Glostrup, 24 May 2024

Executive Board

Jesper Just

Board of Directors

Carl Aage Nielsen Chairman	Per Steen Pedersen	Jakob Sand

Independent Auditor's report

To the shareholder of ProCon Solution 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 for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ProCon Solution 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 (”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.

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.

Herning, 24 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Vorret
State Authorised Public Accountant
mne33256

Kasper Ladekjær
State Authorised Public Accountant
mne50738

Company information

The Company	ProCon Solution A/S Stationsparken 25 DK-2600 Glostrup CVR No: 30 60 04 36 Financial period: 1 January - 31 December Municipality of reg. office: Glostrup
Board of Directors	Carl Aage Nielsen, chairman Per Steen Pedersen Jakob Sand
Executive Board	Jesper Just
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Management's review

Key activities

The company's activity is the development, sale and servicing of IT software solutions for travel agencies, mainly in EMEA markets.

The product portfolio covers the key parts of the value chain from the customer and consists of the proprietary ProTAS and ProTAS Finance products. The products are considered a leader in the market in terms of quality, functionality and flexibility.

The products are sold primarily as complete software-as-a-service solutions and are easily integrated with the customers' other IT systems.

Performance during the year and expectations for the year to come

During the year the Company has focused on the continued development of the ProTAS system and the cloud-based delivery model. With the addition of a second data centre the Software-as-a-service business model has been expanded into new markets. The Company have introduced new cloud services and have improved the total quality of services for the customers.

During 2023 the impact from the global Covid-19 pandemic on the global travel industry continued to diminish and during the second half of the year the recovery of the industry was significant.

The income statement for 2023 shows an EBITDA of DKK 2.744,488 compared to DKK 743.919 last year. The higher 2023 EBITDA result is primarily due to a) an improved activity level at existing and new customers b) extraordinary one-off revenues from individual consulting assignments with existing customers and the migration of customers onto the new cloud platform.

With a reduction in amortization of intangible assets to around 1,5 mDKK (1,8 mDKK in 2022) the net result for 2023 shows a profit before tax of 1,0 mDKK. At 31 December 2023 the balance sheet of the Company shows an equity of 5,1 mDKK and an equity ratio of 60%.

The difficult market conditions taken into consideration; the overall results are considered satisfactory.

During the second half of 2023 the remaining Covid-19 imposed travel restrictions have been lifted and the Company have started to see a positive development in activity levels, and improved interest in its products and services. The positive development in activity level is expected to increase even further during 2024.

With the positive market development anticipated for 2024 the Company expect to recapture the lost revenues during 2020 to 2022. The overall expectations for 2024 is a significantly improved positive EBITDA, compared to 2023.

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
Gross profit		**13,909,706**	**10,887,960**
Staff expenses	1	-11,164,818	-10,144,041
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-1,486,996	-1,833,363
Profit/loss before financial income and expenses		**1,257,892**	**-1,089,444**
Financial income	2	34,337	66,290
Financial expenses	3	-313,034	-204,325
Profit/loss before tax		**979,195**	**-1,227,479**
Tax on profit/loss for the year	4	-194,419	291,021
Net profit/loss for the year		**784,776**	**-936,458**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Proposed dividend for the year	500,000	0
Retained earnings	284,776	-936,458
	784,776	**-936,458**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Development projects		3,581,968	3,620,657
Goodwill		0	0
Intangible assets	5	**3,581,968**	**3,620,657**
Other fixtures and fittings, tools and equipment		81,733	129,869
Leasehold improvements		72,002	141,562
Property, plant and equipment	6	**153,735**	**271,431**
Other receivables	7	289,095	293,439
Fixed asset investments		**289,095**	**293,439**
Fixed assets		**4,024,798**	**4,185,527**
Trade receivables		1,485,299	3,111,720
Contract work in progress		134,570	363,579
Receivables from group enterprises		0	2,066,290
Other receivables		933,335	520,261
Prepayments		408,465	489,541
Receivables		**2,961,669**	**6,551,391**
Cash at bank and in hand		**1,455,672**	**485,343**
Current assets		**4,417,341**	**7,036,734**
Assets		**8,442,139**	**11,222,261**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		500,000	500,000
Reserve for development costs		2,793,935	2,824,112
Retained earnings		1,282,279	967,326
Proposed dividend for the year		500,000	0
Equity		**5,076,214**	**4,291,438**
Provision for deferred tax		715,834	94,821
Provisions		**715,834**	**94,821**
Credit institutions		0	3,333,334
Other payables		479,452	647,396
Long-term debt	8	**479,452**	**3,980,730**
Credit institutions	8	0	833,333
Trade payables		591,655	601,571
Other payables	8	1,172,488	1,085,886
Deferred income		406,496	334,482
Short-term debt		**2,170,639**	**2,855,272**
Debt		**2,650,091**	**6,836,002**
Liabilities and equity		**8,442,139**	**11,222,261**
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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	500,000	2,824,112	967,326	0	4,291,438
Development costs for the year	0	1,017,443	-1,017,443	0	0
Depreciation, amortisation and impairment for the year	0	-1,047,620	1,047,620	0	0
Net profit/loss for the year	0	0	284,776	500,000	784,776
Equity at 31 December	**500,000**	**2,793,935**	**1,282,279**	**500,000**	**5,076,214**

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	10,168,967	9,318,079
Pensions	906,516	725,563
Other social security expenses	89,335	100,399
	11,164,818	**10,144,041**
Average number of employees	**14**	**14**

	2023	2022
	DKK	DKK
2. Financial income		
Interest received from group enterprises	32,135	66,290
Other financial income	2,202	0
	34,337	**66,290**

	2023	2022
	DKK	DKK
3. Financial expenses		
Other financial expenses	184,412	122,557
Exchange adjustments, expenses	128,622	81,768
	313,034	**204,325**

	2023	2022
	DKK	DKK
4. Income tax expense		
Deferred tax for the year	194,419	-291,021
	194,419	**-291,021**

Notes to the Financial Statements

5. Intangible fixed assets

	Development projects	Goodwill
	DKK	DKK
Cost at 1 January	17,064,217	16,000,000
Additions for the year	1,304,414	0
Cost at 31 December	18,368,631	16,000,000
Impairment losses and amortisation at 1 January	13,443,561	16,000,000
Amortisation for the year	1,343,102	0
Impairment losses and amortisation at 31 December	14,786,663	16,000,000
Carrying amount at 31 December	**3,581,968**	**0**

Development projects relate to the development of new versions of the Company's existing software products. During 2023 the Company have continued the rollout of the new software product to existing and new customers.

Following the creation of the new European Cloud platform (Oracle and Azure) in 2022 the Company initiated a new project in 2023 to migrate the operation of a number of international customers onto a new identical Cloud platform located in a data centre in Johannesburg, South Africa. During 2023 two major customers were migrated to the new South African based Cloud platform (Oracle and Azure).

With the more positive financial situation in 2023 the development projects were progressing according to plan using the resources allocated by Management to the development. With the migration to the Cloud delivery model, and now being able to provide the cloud services from multiple data centres, the Company's software will continue to be sold in the present market to the Company's existing and new customers.

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK	DKK
Cost at 1 January	1,075,227	423,189
Additions for the year	26,198	0
Cost at 31 December	1,101,425	423,189
Impairment losses and depreciation at 1 January	945,358	281,627
Depreciation for the year	74,334	69,560
Impairment losses and depreciation at 31 December	1,019,692	351,187
Carrying amount at 31 December	**81,733**	**72,002**

7. Other fixed asset investments

	Other receivables
	DKK
Cost at 1 January	293,439
Disposals for the year	-4,344
Cost at 31 December	289,095
Carrying amount at 31 December	**289,095**

	2023	2022
	DKK	DKK

8. 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:

	2023	2022
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	0	3,333,334
Long-term part	0	3,333,334
Within 1 year	0	833,333
	0	**4,166,667**
Other payables		
After 5 years	0	0
Between 1 and 5 years	479,452	647,396
Long-term part	479,452	647,396
Other short-term payables	1,172,488	1,085,886
	1,651,940	**1,733,282**

	2023	2022
	DKK	DKK

9. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

	2023 DKK	2022 DKK
Company pledge at kDKK 2,000, providing security on trade receivables as well as other property, plant and equipment at a total carrying amount of:	1,639,034	3,041,034

Rental and lease obligations

The Company has entered into an agreement to lease office premises in Glostrup. The lease may be terminated at one year and three months' notice. The total commitment amounts to kDKK 675.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of C.A. Nielsen ApS, which is the management company of the joint taxation purposes. Moreover, the 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.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

Name	Place of registered office
C. A. Nielsen ApS	Herning

Notes to the Financial Statements

11. Accounting policies

The Annual Report of ProCon Solution A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in DKK.

Changes in accounting policies

Some reclassifications have been made in the comparative figures. The reclassifications have no effect on the result, balance sheet or equity. In addition, the accounting practices used are unchanged compared to previous years.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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.

Income statement

Revenue

Revenue is recognised when the risks and rewards have been transferred to the purchaser.

Notes to the Financial Statements

Contract work in progress 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.

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 revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution 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, other operating income, expenses for raw materials and consumables and other external expenses.

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.

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 changes in deferred tax for the year. The tax attributable to the profit for the 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 Group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

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 10 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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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.

Other fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

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.

Prepayments

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

Equity

Dividend

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

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.