Zensai International ApS

Mariane Thomsens Gade 4B, 5., 8000 Aarhus C

CVR no. 32 13 97 28

Annual report 2023

Approved at the Company's annual general meeting on 29 May 2024

Chair of the meeting:

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Frederik Hasling

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Zensai International ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 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.

Aarhus, 29 May 2024
Executive Board:

Rasmus Holst

Board of Directors:

Lars Damsgaard Andersen
Chairman

Erik Stannow

Alexander Swartz Augustesen

Christopher Charles Ostler

Detlef Siegfried Schultz

Mir Arif

Eric Alexander Guardiola

David Willis

Independent auditor's report

To the shareholders of Zensai International ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Zensai International ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "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 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.

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.

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 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 note 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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen State Authorised Public Accountant mne33234	Henrik Andersen State Authorised Public Accountant mne32084

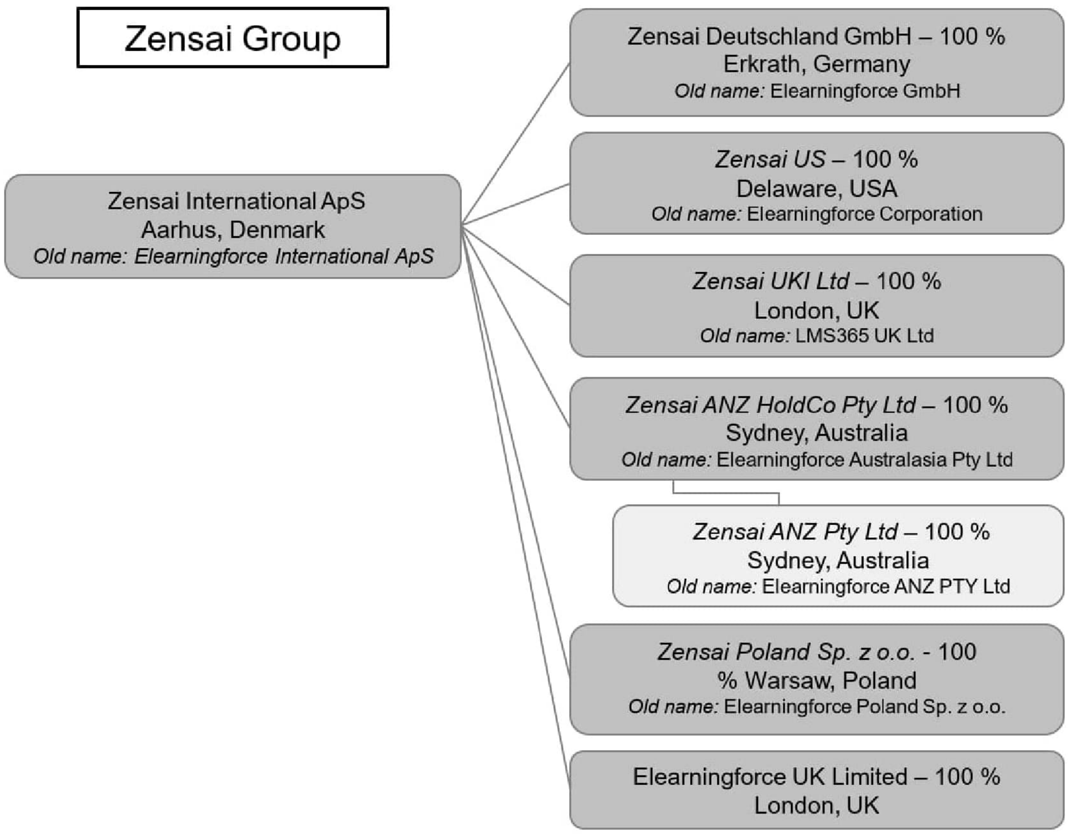
Management's review

Company details

Name	Zensai International ApS
Address, Postal code, City	Mariane Thomsens Gade 4B, 5., 8000 Aarhus C
CVR no.	32 13 97 28
Established	23 April 2009
Registered office	Aarhus
Financial year	1 January - 31 December
Website	www.zensai.com
Telephone	+45 70 27 91 91
Board of Directors	Lars Damsgaard Andersen, Chairman Erik Stannow Alexander Swartz Augustesen Christopher Charles Ostler Detlef Siegfried Schultz Mir Arif Eric Alexander Guardiola David Willis
Executive Board	Rasmus Holst
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021
Key figures			
Gross profit	73,166	53,792	45,283
Operating profit/loss	-54,994	-25,852	-4,853
Net financials	1,002	-316	-625
Profit/loss for the year	-59,599	-28,241	-4,450
Total assets	253,502	91,444	71,201
Investments in property, plant and equipment	121	232	61
Equity	83,805	-21,695	-3,460
Cash flows from operating activites	-5,975	7,384	8,162
Total cash flows	89,196	-3,041	-4,502
Average number of full-time employees including external consultants	191	140	80
Financial ratios			
Return on assets	-31.9%	-31.8%	-6.8%
Current ratio	90.2%	44.6%	59.6%
Equity ratio	33.1%	-23.7%	-4.9%

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Management's review

Business review

Zensai Group formerly and until April 2024 known as ELEARNINGFORCE International ApS and operating under the LMS365 name is a SaaS (software-as-a-service) company and global group with subsidiaries in US, Germany, UK, Australia and Poland.

Zensai is an award-winning software company with a global presence across Europe, Australia, and North America. Our innovative Human Success Platform combines learning, engagement, and performance tools that are integrated into Microsoft 365, powered by AI, and designed to fit the way you work.

With a +1,8 million user base of almost 2000 organizations and spanning over 60 countries, our mission is to assist everyone in achieving their version of success with our #SucceedLikeYou philosophy. Whether it's personal growth, professional development, or reaching peak performance, we are dedicated to supporting our customers every step of the way. By prioritizing people over platform, we redefine success to empower individuals and businesses to unlock their full potential. Confidently. Individually. Successfully.

The Human Success Platform is based on the Microsoft cloud platform. The products Learn365, Engage365 and Perform365 are all subscription-based services, sold directly through subsidiaries and through partners and resellers worldwide. Zensai Group also engages in professional services to support customers and partners.

At Zensai, we pride ourselves on our Globally Certified™status by Great Place To Work®, showcasing our unwavering dedication to cultivating a positive workplace culture, enriching employee experiences, and fostering leadership excellence.

Zensai has experienced a steep growth curve since 2018, and together with our shareholders and investors we expect to stay on track of delivering best in class performance for SaaS companies and compete with the best in the world for years to come.

Financial review

The income statement for 2023 shows a loss of DKK 59,599 thousand against a loss of DKK 28,241 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 83,805 thousand.

2023 was a very strong year for Zensai Group. Recognized revenue increased 39% Zensai Group has continued to grow its footprint and install base of customers with a 50%growth in Annual Recurring Revenue (ARR), reaching 196M DKK, i.e. almost 30M USD. 42%of the growth came from organic growth across the 4 core regions being US/North America, NorDACH, Rest of World (ROW) and Australia/New Zealand (ANZ). The remaining 8%ARR growth came through the acquisition of W10. Net Revenue Retention (NRR) improved to 108%, with a strong level of expansion to existing customers as well as decreasing churn. These levels are all improving and remain within good standards in the market.

ARR and NRR are the two main key performance indicators (KPIs) of Zensai topline performance. ARR is defined as the total yearly revenue going forward that is committed by contract by Zensai customers. NRR is defined as the development in ARR on the install base of customers from beginning of the year to year end, meaning starting ARR, less churn and downgrades, plus customer expansions and price adjustments during the year.

Profit/loss for the year compared to previously announced expectations

The operating loss defined as Profit/Loss before net financials adjusted by the special items in note 3 amounted to DKK -48.420 thousand. This was significantly better than the expected operating loss for 2023 between DKK -60,000 thousand and -70,000 thousand announced in financial statement 2022. It is also significantly better than what was planned in the business plan “From Aarhus to Unicorn” that was made summer 2023.

The basis for the overperformance was the strong year with revenue related to the ambitious yet planned ARR and NRR growth. The efficiency in scaling of the business, including gross profit improvements combined with tight cost control and some delays in hires, were also the main drivers in the overperformance.

Management's review

Capital increase and equity expectation

In March 2023 Zensai group had a capital increase of DKK 139,106 thousand to underpin the continued growth of the business. The capital was raised by new and existing investors as a part of building the ambitious 5-year plan "From Aarhus to Unicorn". The capital increase provided sufficient funds for Zensai Group to continue investing in both the commercial organization, the product and its business support functions to ensure putting Zensai Group in a position to fully seize the market opportunity.

As a planned as part of the “Aarhus to Unicorn” business plan made summer 2023 following the capital increase, Zensai Group has increased the investments into growing the business. Zensai Group is planning an increased operating loss, leading to the above-mentioned loss. Accordingly, Zensai Group likely expects to have a negative equity during 2024 therefore becoming subject to section 119 of the Danish Companies Act. From a cash flow point Zensai Group has also accelerated the burn in 2023 and into 2024, with the plan to break even and become cash flow generating in 2025 on the path towards profitability in 2026. Zensai Group has secured the robust financial reserves to operate the business throughout the period until profitability.

Zensai Group is following Danish GAAP. Given the expected continued losses in the years to come, Zensai Group continues not to recognize the deferred tax assets in the balance sheet. The carry-forward loss is now at DKK 132,068 thousands and has increased by DKK 64,312 thousands compared to DKK 67,756 last year. As per the strategy plan, it is the continued Management view that the losses are to be utilized in 2026 and onwards upon the expected profitability of Zensai group.

As part of Zensai Group's growth strategy, Zensai Group acquired W10 (under the name of Binary Geek) in August 2023. W10 has been 100%integrated into the Zensai business and organization and the company has merged with the UK entity, now operating under the name Zensai UKI Ltd. W10 products have been an integral part of launching the Zensai “Human Success Platform" i.e. the Learn, Engage and Perform products in 2024.

Knowledge resources

It is Zensai Group's ambition to continue to grow and exploit the market's potential. Thus why it is important for Zensai Group to be at the updated of the technological development and needs of digital learning solutions in the market to continuously develop and optimize solutions. Experienced and competent employees within development and digital learning are an important knowledge resources for Zensai Group and its continued growth, in connection with the knowledge and resource of market needs.

During 2023 Zensai group has strengthened its leadership profile, by adding several senior executives and leaders with experience from similar international growth journeys.

Financial risks and use of financial instruments

Price risks

With the increasing inflation over the last couple of years, the current market generally continues to favor price changes to compensate for the impact. On that basis, Zensai Group has continued following market levels and has increased its pricing in 2023 while continue having a positive in customer churn.

Currency risks

Having almost 50%of the revenue from US and in total more than 95%outside Denmark, Zensai Group is exposed towards currency movements, especially USD. The risk is partly hedged by having expenses and costs in local currencies as well. Until now Zensai Group did not consider the currency risk being at a magnitude requiring active financial hedging. Zensai Group has now decided to start hedging the financial USD/DKK risk from 2024 and onwards, having reached a significant size of the currency exposure.

Management's review

Interest rate and credit risks

Following the continued strong liquidity position Zensai Group has significant cash and is exposed towards the movement in interest rates. Also Zensai Group is keen not to have all its liquidity position placed at one single bank. Given that, the management and board have agreed to continue the practice that the short term cash will be placed in banks with high credit rating and longer term cash to be placed in Treasury bonds (Statsobligationer) and mortgage bonds (Realkreditobligationer) with the aim to minimize the risks.

Research and development activities

Zensai Group's development activity is carried out in the parent company. During the financial year, Zensai Group continued to invest in further development of the product platform, which involves further development in the form of development of new functions, user interfaces, extensions, etc. Further development of Zensai Group's products and integration between these is taking place to maintain its position as a global leader in the market and offer customers a complete learning platform that supports their needs. Zensai Group expects to continue investing in further development of the product platform.

Events after the balance sheet date

In April 2024 Zensai Group rebranded itself from LMS365/Elearningforce to Zensai and launched The Human Succes Platform – Learn, Engage and Perform.

No other events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year end.

Outlook

The market continues to be favorable and is expected to continue growing in the years to come. Zensai Group will continue to invest in the growth opportunity and expects to continue growing ARR 30%35%on a yearly basis for the coming years. Zensai Group will in 2024 continue to increase investments in scaling the business further, i.e. both Sales, Marketing, Product, Engineering (R&D) and business support functions as well as investing in tools and processes supporting the scaling of the business. This is in line with the "Aarhus to Unicorn" business plan as part of fully seizing the opportunity in the market.

Due to the increased investments into growth Zensai Group expect the operating loss for 2024 between DKK -70,000 thousand and –80.000 thousand. From a cash flow perspective Zensai Group will continue to burn cash in 2024, however the burn is expected to gradually flatten and provide the basis for positive cash flow generation in 2025.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	Gross profit	73,166	53,792	11,802	18,723
4	Staff costs	-112,829	-71,490	-51,898	-37,315
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-15,298	-8,017	-11,306	-6,952
	Other operating expenses	-5,048	0	-5,048	0
	Profit/loss before net financials	-60,009	-25,715	-56,450	-25,544
	Income from investments in group enterprises	0	0	-2,817	550
5	Financial income	2,759	146	2,890	228
6	Financial expenses	-1,757	-462	-3,222	-1,532
	Profit/loss before tax	-59,007	-26,031	-59,599	-26,298
7	Tax for the year	-592	-2,210	0	-1,943
	Profit/loss for the year	-59,599	-28,241	-59,599	-28,241

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2023**	**2022**	**2023**	**2022**
	ASSETS				
	Fixed assets				
10	**Intangible assets**				
	Development projects	46,256	32,327	46,367	32,327
	Acquired intangible assets	31,442	1,618	516	0
	Goodwill	24,187	5,952	0	0
		101,885	39,897	46,883	32,327
11	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	938	270	635	0
	Leasehold improvements	587	843	587	843
		1,525	1,113	1,222	843
12	**Investments**				
	Investments in group entities	0	0	50,835	2,160
		0	0	50,835	2,160
	Total fixed assets	103,410	41,010	98,940	35,330
	Non-fixed assets				
	Receivables				
	Trade receivables	37,726	31,067	7,393	6,528
	Receivables from group entities	190	0	2,016	4,406
13,16	Deferred tax assets	0	1,122	0	0
	Corporation tax receivable	742	89	0	54
	Other receivables	3,497	3,025	3,211	2,585
14	Prepayments	7,671	4,249	6,290	2,046
		49,826	39,552	18,910	15,619
9	**Securities and investments**	85,149	0	85,149	0
	Cash	15,117	10,882	2,099	957
	Total non-fixed assets	150,092	50,434	106,158	16,576
	TOTAL ASSETS	253,502	91,444	205,098	51,906

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	180	141	180	141
	Reserve for development costs	0	0	36,166	25,215
	Translation reserve	-591	-55	-591	-55
	Retained earnings	84,216	-21,781	48,050	-46,996
	Total equity	83,805	-21,695	83,805	-21,695
	Provisions				
16	Deferred tax	3,295	0	0	0
12	Provision, investments in group enterprises	0	0	1,460	1,060
17	**Total provisions**	3,295	0	1,460	1,060
	Liabilities other than provisions				
	Current liabilities other than provisions				
	Bank debt	4	0	0	0
	Trade payables	17,453	7,707	15,648	6,726
	Payables to group entities	190	0	67,325	37,196
	Corporation tax payable	1,406	1,257	0	0
	Other payables	20,416	10,925	7,947	4,031
	Deferred income	126,933	93,250	28,913	24,588
		166,402	113,139	119,833	72,541
	Total liabilities other than provisions	166,402	113,139	119,833	72,541
	TOTAL EQUITY AND LIABILITIES	253,502	91,444	205,098	51,906

1 Accounting policies
2 Events after the balance sheet date
3 Special items
8 Appropriation of profit/loss
18 Contractual obligations and contingencies, etc.
19 Security and collateral
20 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group			
		Share capital	Translation reserve	Retained earnings	Total
	Equity at 1 January 2022	139	-160	-3,438	-3,459
	Capital increase	2	0	9,898	9,900
	Transfer through appropriation of loss	0	0	-28,241	-28,241
	Adjustment of investments through forreign exchange adjustments	0	105	0	105
	Equity at 1 January 2023	141	-55	-21,781	-21,695
	Capital increase, shares issued in business transactions	6	0	27,436	27,442
	Capital increase	33	0	139,106	139,139
	Expenses, capital increase	0	0	-946	-946
	Transfer through appropriation of loss	0	0	-59,599	-59,599
	Adjustment of investments through forreign exchange adjustments	0	-536	0	-536
	Equity at 31 December 2023	180	-591	84,216	83,805

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity (continued)

		Parent company				
Note	DKK'000	Share capital	Reserve for development costs	Translation reserve	Retained earnings	Total
	Equity at 1 January 2022	139	15,369	-160	-18,807	-3,459
	Capital increase	2	0	0	9,898	9,900
8	Transfer, see "Appropriation of profit/loss"	0	0	0	-28,241	-28,241
	Adjustment of investments through forreign exchange adjustments	0	0	105	0	105
	Capitalized development costs	0	19,282	0	-19,282	0
	Depreciation in the year	0	-6,659	0	6,659	0
	Tax on items recognised directly in equity	0	-2,777	0	2,777	0
	Equity at 1 January 2023	141	25,215	-55	-46,996	-21,695
	Capital increase, shares issued in business transactions	6	0	0	27,436	27,442
	Capital increase	33	0	0	139,106	139,139
	Expenses, capital increase	0	0	0	-946	-946
8	Transfer, see "Appropriation of profit/loss"	0	0	0	-59,599	-59,599
	Adjustment of investments through forreign exchange adjustments	0	0	-536	0	-536
	Capitalized development costs	0	24,912	0	-24,912	0
	Depreciation in the year	0	-10,872	0	10,872	0
	Tax on items recognised directly in equity	0	-3,089	0	3,089	0
	Equity at 31 December 2023	180	36,166	-591	48,050	83,805

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2023	Group 2022
	Profit/loss for the year	-59,599	-28,241
21	Adjustments	11,720	9,324
	Cash generated from operations (operating activities)	-47,879	-18,917
22	Changes in working capital	44,405	27,200
	Cash generated from operations (operating activities)	-3,474	8,283
	Interest received, etc.	2,022	146
	Interest paid, etc.	-1,757	-462
	Income taxes paid	-2,766	-583
	Cash flows from operating activities	-5,975	7,384
	Additions of intangible assets	-22,316	-17,737
	Additions of property, plant and equipment	-894	-232
23	Acquisition of companies and activities	-19,813	-2,356
	Cash flows to investing activities	-43,023	-20,325
	Cash capital increase	138,194	9,900
	Cash flows from financing activities	138,194	9,900
	Net cash flow	89,196	-3,041
	Cash and cash equivalents at 1 January	10,882	14,416
	Foreign exchange adjustments	188	-493
24	**Cash and cash equivalents at 31 December**	100,266	10,882

The cash flow statement cannot be directly derived from the other components of the financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Zensai International ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Reporting currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of group entities which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

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.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services, which comprises consultancy assistance, etc., is recognised in the income statement as the services are rendered.

Income from the sale of time-limited software licences is considered leasing of a right of use and is therefore recognised in line with the transfer of the right over period on a straight line basis over the term of the licence according to the terms of the license agreement.

Income from the sale of indefinite software licences is recognised as sale of goods when delivery and transfer of risk to the buyer have taken place.

Income from royalty is recognised 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, cost of sales, work performed for own account and capitalised, other operating income and 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 operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the expenses and services used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, 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.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost of completed development projects and acquired intangible assets is amortised over the expected useful life.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management’s experience in the individual business segments.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The basis of depreciation for other fixtures and fittings, tools and equipment is based on cost less any residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Development projects	5 years
Acquired intangible assets	3-10 years
Goodwill	10 years
Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

Gains and losses are measured as other income or other expenses in the annual report.

Residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

Other intangible assets include other acquired intangible rights, client relationship and ordrebook.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. The cost of completed development projects and acquired intangible assets is amortised over the expected useful life.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

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 for operating leases 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".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in group entities

Equity investments in group entities are measured according to the equity method and are used in according with the consolidation method.

On initial recognition, equity investments in group entities are measured at cost. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations. Transactions cost are recognised in the income statement in the year in which they are incurred.

The purchase method of accounting is applied to corporate acquisitions, according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in bonds are measured at fair value (market price) at the balance sheet date.

Cash

Cash and cash equivalents comprise cash.

Equity

Reserve for net revaluation according to the equity method

The reserve comprises net revaluations of investments in subsidiaries compared to the cost price.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated expenses relating to liability for negative investments in subsidiaries. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

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.

Deferred tax is measured according to the taxation rules and taxation 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 value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

2 Events after the balance sheet date

In April 2024 Zensai Group rebranded itself from LMS365/Elearningforce to Zensai and launched The Human Succes product suite – Learn, Engage and Perform.

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

3 Special items

Group

Special items include substantial amounts of a one-off nature which, in the opinion of management, are not part of the company's and the group's primary operations and which is not assumed to be recurring.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Group		Parent company	
DKK'000	**2023**	**2022**	**2023**	**2022**
Expenses				
Expenses related to corporate acquisition	4,803	0	4,803	0
Restructuring of development team and business partner	6,786	0	6,786	0
	11,589	0	11,589	0
Special items are recognised in the below items of the financial statements				
Other external expenses (Gross Profit)	6,541	0	6,541	0
Other operating expenses	5,048	0	5,048	0
Net profit on special items	11,589	0	11,589	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
4 Staff costs and incentive programmes				
Wages/salaries	107,107	67,564	49,323	35,506
Pensions	3,696	2,711	2,083	1,441
Other social security costs	1,956	1,188	492	368
Other staff costs	70	27	0	0
	112,829	71,490	51,898	37,315
Average number of full-time employees	128	78	49	38

2023

Total remuneration to Executive Board and Board of Directors for Group and Parent Company in 2023 was: DKK 4,033 thousands.

2022

There was a change in the Executive Board in the financial year 2022 in the Group and Parent company, why the remuneration includes both Executive Board members in the financial year 2022.

Total remuneration to the Executive Board in 2022 was: DKK 3,263 thousands.
Total remuneration to the Board of Directors in 2022 was: DKK 1,148 thousands.

Incentive programmes

Equity settled stock options and warrants are not recognised in the balance sheet or profit and loss account. They main terms, method for calculating the value, etc. for incentive programs for management, appears below.

The company have established an incentive scheme, which includes Executive Board, Board of Directors, other employees, advisors and consultants, based on issuance of warrants in period 2020 to 2030. As of 31 december total 2,628,088 warrants have been granted, and each warrant entitles to subcribe one share of a nominal DKK 0.01 in the company. The total nominal share amount for granted warrants is DKK 26,281, which represents 12,74%of the current share capital.

Warrants granted are vesting at 1/36 or 1/48 per month and can be exercised until 2030. The warrants have an average exercise price of DKK 32.20. The total market value of the issued warrants at the time of grant amounts to 86,512 thousands. The valuation of the issued warrants is based on the previoues capital increases with external investors.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
5	**Financial income**				
	Interest receivable, group entities	0	0	161	110
	Other financial income	2,759	146	2,729	118
		2,759	146	2,890	228
6	**Financial expenses**				
	Interest expenses, group entities	0	0	1,526	1,108
	Other financial expenses	1,757	462	1,696	424
		1,757	462	3,222	1,532
7	**Tax for the year**				
	Estimated tax charge for the year	2,319	1,794	0	0
	Deferred tax adjustments in the year	-1,727	416	0	1,943
		592	2,210	0	1,943

	DKK'000	Parent company 2023	Parent company 2022
8	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-59,599	-28,241
		-59,599	-28,241

9 **Disclosure of fair values**

The Group has the following assets and liabilities measured at fair value:

DKK'000	Securities (Bonds)
Group	
Fair value at year end	85,149
Unrealised fair value adjustments for the year, recognised in the income statement	90
Parent Company	
Fair value at year end	85,149
Unrealised fair value adjustments for the year, recognised in the income statement	90

The fair value of Securities (Bonds) are categorised in level 1 of the fair value hierarchy and do not include significant unobservable inputs in the valuation.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Intangible assets

	Group			
DKK'000	Development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2023	72,073	1,820	7,930	81,823
Forreign exchange adjustments	0	-357	-385	-742
Additions through corporate acquisition (Note 23)	0	32,051	19,998	52,049
Additions	24,795	563	0	25,358
Cost at 31 December 2023	96,868	34,077	27,543	158,488
Impairment losses and amortisation at 1 January 2023	39,746	202	1,978	41,926
Foreign exchange adjustments	0	-4	-66	-70
Amortisation for the year	10,866	2,437	1,444	14,747
Impairment losses and amortisation at 31 December 2023	50,612	2,635	3,356	56,603
Carrying amount at 31 December 2023	46,256	31,442	24,187	101,885
Amortised over	5 years	3-10 years	10 years	

Completed development projects

Completed development projects relate to cloud-based learning management system with a carrying amount of DKK 46,256 thousands and amortised over 5 years. Addition in the year is related to the ongoing development of the learning management system, regarding new technical solutions and features, to meet the requested demands in the market and expand market and sales potential to new customers. Completed development projects are subscription-based services and a fundamental part of the Company's business and future earnings.

Management has not identified any indications of impairment, based on expected retention revenue from customers.

Acquired intangible assets

Addition from corporate acquisition relates to a cloud-based performance management system, which is amortised over 5 years, customer relationships, which is amortised over 10 years.

Goodwill

Goodwill is related to acquisitions of affiliates and the depriciation period for Goodwil is set at 10 years, taking into account the Group's expected plans for activity and increase in earnings.

Management has not identified any indications of impairment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Intangible assets (continued)

	Parent company		
DKK'000	Development projects	Acquired intangible assets	Total
Cost at 1 January 2023	72,073	0	72,073
Additions	24,912	563	25,475
Cost at 31 December 2023	96,985	563	97,548
Impairment losses and amortisation at 1 January 2023	39,746	0	39,746
Amortisation for the year	10,872	47	10,919
Impairment losses and amortisation at 31 December 2023	50,618	47	50,665
Carrying amount at 31 December 2023	46,367	516	46,883
Amortised over	5 years	3 years	

Completed development projects

Completed development projects relate to cloud-based learning management system with a carrying amount of DKK 46,367 thousands and amortised over 5 years. Addition in the year is related to the ongoing development of the learning management system, regarding new technical solutions and features, to meet the requested demands in the market and expand market and sales potential to new customers. Completed development projects are subscription-based services and a fundamental part of the Company's business and future earnings.

Management has not identified any indications of impairment, based on expected retention revenue from customers.

11 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	603	1,463	2,066
Foreign exchange adjustments	-4	0	-4
Additions on corporate acquisition	121	0	121
Additions	856	38	894
Cost at 31 December 2023	1,576	1,501	3,077
Impairment losses and depreciation at 1 January 2023	333	620	953
Accumulated impairment losses and depreciation of additions through corporate acquisition	49	0	49
Depreciation	256	294	550
Impairment losses and depreciation at 31 December 2023	638	914	1,552
Carrying amount at 31 December 2023	938	587	1,525

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment (continued)

	Parent company		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	28	1,463	1,491
Additions	728	38	766
Cost at 31 December 2023	756	1,501	2,257
Revaluations at 1 January 2023	0	0	0
Revaluations at 31 December 2023	0	0	0
Impairment losses and depreciation at 1 January 2023	28	620	648
Depreciation	93	294	387
Impairment losses and depreciation at 31 December 2023	121	914	1,035
Carrying amount at 31 December 2023	635	587	1,222

12 Investments

	Parent company
DKK'000	Investments in group entities
Cost at 1 January 2023	195
Foreign exchange adjustments	-455
Additions on corporate acquisition	49,148
Cost at 31 December 2023	48,888
Value adjustments at 1 January 2023	1,965
Foreign exchange adjustments	-81
Profit/loss for the year	-193
Depreciation added values	-2,624
Investment with negative net assets value written down through receivables or regonized as provision	2,880
Value adjustments at 31 December 2023	1,947
Carrying amount at 31 December 2023	50,835

Initial recognition of the new affiliated entity Binary Geek Ltd, amounts total DKK 49,148, which consist equity value of DKK 3,188 and additional added values of DKK 45.960 thousands of which goodwill amounts to DKK 20,086 thousands.

In the carrying amount of group entities, added values from acquisitions amounts to DKK 43,410 thousands of which remaining goodwill amounts to DKK 19,152 thousands. Additional added values recognised in sub consolidated entities amounts to DKK 1,283 thousands, of which remaining goodwill amounts to DKK 550 thousands.

Investments with negative net assets amounts to total DKK 5,331 thousand. Receivables from investment with negative net assets are written down with DKK 3,871 thousand, and investment with negative net assets have been recognized as a provision with DKK 1,460 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Investments (continued)

Parent company

Name	Domicile	Interest
Elearningforce UK Limited	London, UK	100.00%
Zensai US	Delaware, USA	100.00%
Elearningforce GmbH	Erkrath, Germany	100.00%
Zensai ANZ HoldCo Pty Ltd	Queensland, Australia	100.00%
Zensai ANZ Pty Ltd	Queensland, Australia	100.00%
Zensai UKI Ltd	London, UK	100.00%
Zensai Poland Sp. z o.o.	Warsaw, Poland	100.00%

13 Deferred tax assets

Recognised deferred tax assets in the balance sheet at 31 december 2022 relates to differences between the financial statements carrying amount and tax bases.

14 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, etc.

	Parent company	
DKK'000	2023	2022

15 Share capital

Analysis of the share capital:

	2023	2022
146,600 A shares of DKK 1.00 nominal value each	147	141
33,442 B shares of DKK 1.00 nominal value each	33	0
	180	141

Each A and B share carries one voting rights.

B-shares carry certain special rights by way of a liquidation preference, conversion rights, protection against dilution in case of certain issues of shares and dividend preference.

Analysis of changes in the share capital over the past 5 years:

DKK'000	2023	2022	2021	2020	2019
Opening balance	141	139	139	139	139
Capital increase	39	2	0	0	0
	180	141	139	139	139

Share capital have been increased with issuing 39,274.68 new shares during 2023. The nominally value of new shares is 39,274.68 DKK

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
16 Deferred tax				
Deferred tax at 1 January	-1,122	-2,039	0	-1,943
Adjustment for the year in the income statement	-1,727	416	0	1,943
Addition corporate acquisition	6,116	472	0	0
Other adjustments	71	0	0	0
Exchange adjustments	-43	29	0	0
Deferred tax at 31 December	3,295	-1,122	0	0

17 Provisions

Parent company

Provisions relating to investments in group entities comprise the Company's liability for negative investments in subsidiaries.

18 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other financial obligations

Other rent and lease liabilities:

DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Rent and lease liabilities	3,258	3,742	2,732	3,179

Group

Rent and lease liabilities include a rent obligation totalling DKK 2,984 thousands in interminable rent agreements with remaining contract terms of 6-29 month. Furthermore, the Company has liabilities under operating leases, totalling DKK 274 thousands, with remaining contract terms of 6-16 month.

Parent company

Rent and lease liabilities include a rent obligation totalling DKK 2,494 thousands in interminable rent agreements with remaining contract terms of 6-29 month. Furthermore, the Company has liabilities under operating leases, totalling DKK 238 thousands, with remaining contract terms of 6-16 month.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 Security and collateral

Group

The Group has not provided any security or other collateral in assets at 31 December 2023.

Parent company

The Parent Company has not provided any security or other collateral in assets at 31 December 2023.

20 Related parties

Related party transactions

DKK'000	2023
Parent Company	
Royalty, income	36,533
Service Fee, expenses	1,930
Development cost, capitalized	2,389
Interest, income	161
Interest, expenses	1,526
Receivables from group entities	5,887
Payables to group entities	67,325

Group

The group have no related party transactions.

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

		Group	
	DKK'000	2023	2022
21	**Adjustments**		
	Amortisation/depreciation and impairment losses	15,298	8,017
	Capitalised developlment cost performed for own account	-3,042	-1,545
	Financial income	-2,759	-146
	Financial expenses	1,757	462
	Tax for the year	592	2,211
	Other adjustments	-126	325
		11,720	9,324
22	**Changes in working capital**		
	Change in receivables	-7,676	-9,190
	Change in trade and other payables	18,399	5,227
	Changes in deferred income	33,682	31,163
		44,405	27,200

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group	
	DKK'000	2023	2022
23	**Acquisition of enterprises and activities**		
	Intangible assets	32,051	1,820
	Property, plant and equipment	72	47
	Receivables	2,139	1,259
	Cash	1,885	1,097
	Deferred tax	-6,090	-472
	Trade payables	0	-440
	Other payables	-915	-514
		29,142	2,797
	Goodwill	19,998	656
	Cost of acquisition	49,140	3,453
	Cash	-1,885	-1,097
	Payment through issued shares from capital increase	-27,442	0
	Cost of acquisition paid in cash	19,813	2,356
24	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	15,117	10,882
	Bonds included as cash and cash equivalents	85,149	0
		100,266	10,882

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Chairman
On behalf of: Zensai International ApS
Serial number: b9920693-c4cd-4f90-90c7-00d7a2477998
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Erik Stannow
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Christian Schwenn Albrecht Johansen
State Authorised Public Accountant
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