INSURANCE BUSINESS APPLICATIONS A/S

Rued Langgaards Vej 8, 2300 København S

Company reg. no. 33 36 13 19

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 28 June 2024

Peter Bruun Nikolajsen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of INSURANCE BUSINESS APPLICATIONS A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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 and the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

København S, 28 June 2024

Managing Director

Morten Bruun Steiner

Board of directors

Niels Ulrik Mortensen	Thomas Weilby Knudsen	Rolf Henrik Bladt
Anders Engdal	Christian Winther	

Independent auditor's report

To the Shareholders of INSURANCE BUSINESS APPLICATIONS A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of INSURANCE BUSINESS APPLICATIONS A/S for the financial year 1 January to 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company. The consolidated financial statements and the parent company financial statements are prepared under 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 and the Company's operations 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" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 June 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Allan Breiling	Sebastian With Raunstrup
State Authorised Public Accountant	State Authorised Public Accountant
mne35809	mne36191

Company information

The company	INSURANCE BUSINESS APPLICATIONS A/S Rued Langgaards Vej 8 2300 København S	
	Company reg. no.	33 36 13 19
	Established:	8 December 2010
	Domicile:	
	Financial year:	1 January - 31 December
Board of directors	Niels Ulrik Mortensen Thomas Weilby Knudsen Rolf Henrik Bladt Anders Engdal Christian Winther	
Managing Director	Morten Bruun Steiner	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	IB Applications Limited, England Insurance Business Applications SRL, Romania Insurance Business Appliaciona SL, Spain IB Applications GmbH, Germany	

Management´s review

Primary activities

IBA develops and markets a modern insurance platform for international P&C insurance companies. IBSuite is a mature and proven platform running natively on the AWS Cloud - multi-tenant and SaaS only. IBSuite facilitates our customers to act fully in the insurance industry and comply with local rules and regulations including GDPR. It is a functionally rich, end-2-end solution with Sales, Underwriting, Policy, Billing, and Claims.

IBA targets mid-sized and large European insurers by positioning IBSuite as the Innovation Platform enabling speed to value for insurers in a multi-core environment, allowing them to scale their operations and accelerate digital transformation. This allows insurers to quickly launch new products without changing their existing core system, as IBSuite can easily co-exist with the existing core system.

IBA has active subsidiaries in UK, Spain, Germany and Romania.

Development in activities and financial matters

During the year IBA continued executing the new positioning strategy introduced in 2022. The strategy is built around our Innovation Platform positioning and the insurance markets competitive need to achieve speed-to-value in a digitally changing world enabling new types of partnerships etc..
In January 2023, we signed a contract with a large UK insurer and during 2023 the solution was successfully implemented and went live in November 2023 with a single product. In September we closed a deal with a smaller Danish greenfield customer and in the second half of the year we engaged in a pre-analysis project with a large Norwegian insurer with whom we signed a new contract in January 2024. Over a number of years, we will replace their two old legacy systems and migrate all their policies to IBSuite.

Revenue from SaaS services increased 18% in 2023 & Annual Recurring Revenue (ARR) increased in 2023 with 11% compared to end of 2022. This was mainly driven by increase in business from existing customers. Overall revenue increased 49% due to high activity in the Professional Services arm, as some large projects were completed during 2023

We continued securing our expenses at the expected level but when entering into the year we expected closing more than RSA and one Danish greenfield customer. Since the closing of the Norwegian insurer first took place in 2024 our target of becoming cash positive end of 2023 is postponed.

At the end of 2023 the UK insurer changed its focus and sold of its private line business and in March 2024 the contract with IBA was terminated. We received a termination fee and for part of the policies we still see opportunities in securing new business with the acquirer of the policies. This has affected profitability from operations hence we first expect to become cash positive from operations in 2025.

This year’s annual report shows a loss of EUR 1,353 K for 2023 (loss EUR 4,078 K for 2022) which is less than expectations due to lower revenue & gross profit.

Management´s review

In 2023, the company’s equity increased with EUR 4M through cash investments from both new- and existing shareholders. Furthermore, long-term loans of EUR 1,3M were converted to equity.

Capital contingency

In June 2024, the company received a capital injection of EUR 2,0 million from existing investors. Additionally, loans totaling EUR 0.9 million, originally due for full repayment by January 2025, have been extended until March 2027. Furthermore, the company’s liquidity improved by EUR 1,8M in May 2024 due to a termination fee with the UK customer who changed focus and sold of its private line business. Considering the capital injection received in June 2024, the postponement of loan repayment, the termination fee with a customer, and the company’s budget for 2024, management assesses that the company can continue as a going concern.

Outlook

IBA will continue executing the strategy with key focus on selected markets and IBA is expecting to continue increasing revenue in 2024, originating from both growth in revenue from existing customers and onboarding of new customers. However, IBA will also be affected by the loss of the business from the UK insurer hence expectations to increase in revenue is more moderate compared to this years increase.

Research and development

As IBSuite is our core asset and the sole platform we develop, maintain and market to our customers, continuous improvements and innovation is key to the ongoing evolvement of IBSuite and the value creation for our customers. Hence, Research and Development a key differentiator for IBA and a prerequisite for the execution of our strategy going forward. It is expected that IBA will continue to invest in research and development, new capabilities which will strengthen our speed-to-value proposition and further expansions of the platform to cater for future customer- and market demands.

Events occurring after the end of the financial year

In June 2024, the company’s equity has been increased with EUR 1.3M through cash investments from existing shareholders. Loans of EUR 0.9M, which were originally due for full repayment by January 2025, have been extended until April 2027. The loan will be repaid March 2027. Furthermore, the company’s liquidity improved by EUR 1,8M in May 2024 due to a termination fee with the UK customer who changed focus and sold of its private line business. No further events have occurred after the balance sheet date to this date, which would significantly impact on the evaluation of this annual report.

Income statement 1 January - 31 December

All amounts in EUR.

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Gross profit	**6.603.700**	**4.226.119**	**3.550.245**	**826.722**
2	Staff costs	-6.346.447	-7.029.008	-3.641.871	-3.911.571
	Depreciation, amortisation, and impairment	-1.734.072	-1.454.019	-1.696.778	-1.405.172
	Other operating expenses	-26.042	0	0	0
	Operating profit	**-1.502.861**	**-4.256.908**	**-1.788.404**	**-4.490.021**
	Income from investments in group enterprises	0	0	204.512	170.311
	Other financial income from subsidiaries	0	0	14.316	21.838
	Other financial income	86.260	163.872	78.324	130.673
3	Other financial expenses	-173.453	-324.116	-155.404	-250.966
	Pre-tax net profit or loss	**-1.590.054**	**-4.417.152**	**-1.646.656**	**-4.418.165**
	Tax on net profit or loss for the year	236.379	338.176	292.981	339.189
	Net profit or loss for the year	**-1.353.675**	**-4.078.976**	**-1.353.675**	**-4.078.976**
	Break-down of the consolidated profit or loss:				
	Shareholders in INSURANCE BUSINESS APPLICATIONS A/S	-1.353.675	-4.078.976		
		-1.353.675	**-4.078.976**		

	Parent 2023	Parent 2022
Proposed distribution of net profit:		
Reserves for net revaluation according to the equity method	204.512	170.311
Allocated from retained earnings	-1.558.187	-4.249.287
Total allocations and transfers	**-1.353.675**	**-4.078.976**

Balance sheet at 31 December

All amounts in EUR.

Assets

		Group		Parent	
Note		2023	2022	2023	2022
	Non-current assets				
4	Completed development projects	4.706.809	4.425.551	4.706.809	4.445.024
5	Acquired trademarks	4.830	5.835	4.830	5.835
	Total intangible assets	4.711.639	4.431.386	4.711.639	4.450.859
6	Other fixtures, fittings, tools and equipment	7.223	16.966	7.223	16.967
7	Leasehold improvements	26.590	63.764	0	0
	Total property, plant, and equipment	33.813	80.730	7.223	16.967
8	Investments in group enterprises	0	0	780.169	629.013
9	Deposits	121.918	113.400	76.010	72.179
	Total investments	121.918	113.400	856.179	701.192
	Total non-current assets	**4.867.370**	**4.625.516**	**5.575.041**	**5.169.018**
	Current assets				
	Trade receivables	1.711.306	312.699	1.180.403	275.671
	Receivables from group enterprises	0	0	2.814.662	594.842
10	Deferred tax assets	292.772	339.189	292.772	339.189
	Other receivables	120.294	94.710	102.918	41.963
	Prepayments	25.224	51.500	9.692	37.047
	Total receivables	2.149.596	798.098	4.400.447	1.288.712
	Cash and cash equivalents	1.362.267	333.958	1.228.376	284.478
	Total current assets	**3.511.863**	**1.132.056**	**5.628.823**	**1.573.190**
	Total assets	**8.379.233**	**5.757.572**	**11.203.864**	**6.742.208**

Balance sheet at 31 December

All amounts in EUR.

Note	Equity and liabilities	Group 2023	Group 2022	Parent 2023	Parent 2022
	Equity				
	Contributed capital	74.304	72.409	74.304	72.409
	Reserve for net revaluation according to the equity method	0	0	748.134	594.860
	Reserve for development costs	0	0	3.671.311	3.467.179
	Retained earnings	5.336.698	1.321.983	917.253	-2.740.033
	Equity before non-controlling interest.	5.411.002	1.394.392	5.411.002	1.394.415
	Total equity	**5.411.002**	**1.394.392**	**5.411.002**	**1.394.415**
	Liabilities other than provisions				
	Other payables	279.694	542.753	279.694	542.761
	Payables to shareholders	944.086	2.287.839	944.086	2.287.870
11	Total long term liabilities other than provisions	1.223.780	2.830.592	1.223.780	2.830.631
11	Current portion of long term liabilities	276.738	302.558	276.738	302.562
	Prepayments received from customers	0	69.064	0	0
	Trade payables	644.280	568.596	641.660	544.141
	Payables to group enterprises	0	0	2.916.735	1.140.790
	Income tax payable	33.820	20.714	0	0
	Other payables	354.042	222.509	324.374	189.537
	Deferred income	435.571	349.147	409.575	340.132
	Total short term liabilities other than provisions	1.744.451	1.532.588	4.569.082	2.517.162
	Total liabilities other than provisions	**2.968.231**	**4.363.180**	**5.792.862**	**5.347.793**
	Total equity and liabilities	**8.379.233**	**5.757.572**	**11.203.864**	**6.742.208**

Balance sheet at 31 December

All amounts in EUR.

Note	**Equity and liabilities**
1	**Capital contingency**
12	**Charges and security**
13	**Contingencies**
14	**Related parties**

Consolidated statement of changes in equity

All amounts in EUR.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Non-controlling interests	Total
Equity 1 2023	72.409	0	0	1.321.984	0	1.394.393
Cash capital increase	39.688	0	0	5.337.977	0	5.377.665
Share of profit or loss	0	0	0	-1.353.675	0	-1.353.675
Cash capital reduction	-37.793	0	0	37.793	0	0
Foreign currency translation adjustments	0	0	0	-7.381	0	-7.381
	74.304	**0**	**0**	**5.336.698**	**0**	**5.411.002**

Statement of changes in equity of the parent

All amounts in EUR.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Total
Equity 1 January 2022	72.409	594.860	3.467.118	-2.739.972	1.394.415
Cash capital increase	39.688	0	0	5.337.977	5.377.665
Share of profit or loss	0	204.512	0	-1.558.187	-1.353.675
Cash capital reduction	-37.793	0	0	37.793	0
Transferred from retained earnings	0	-58.895	204.193	-145.298	0
Foreign currency translation adjustments	0	7.657	0	-15.060	-7.403
	74.304	**748.134**	**3.671.311**	**917.253**	**5.411.002**

Notes

All amounts in EUR.

1. Capital contingency

In June 2024, the company received a capital injection of EUR 2,0 million from existing investors. Additionally, loans totaling EUR 0.9 million, originally due for full repayment by January 2025, have been extended until March 2027. Furthermore, the company's liquidity improved by EUR 1,8M in May 2024 due to a termination fee with the UK customer who changed focus and sold of its private line business. Considering the capital injection received in June 2024, the postponement of loan repayment, the termination fee with a customer, and the company's budget for 2024, management assesses that the company can continue as a going concern.

	Group		Parent	
	2023	2022	2023	2022
2. Staff costs				
Salaries and wages	5.694.540	6.231.606	3.165.882	3.379.846
Pension costs	448.676	510.217	437.477	495.759
Other costs for social security	203.231	239.305	38.512	35.966
Other staff costs	0	47.880	0	0
	6.346.447	**7.029.008**	**3.641.871**	**3.911.571**
Average number of employees	54	60	24	28
3. Other financial expenses				
Other financial costs	173.453	324.116	155.404	250.966
	173.453	**324.116**	**155.404**	**250.966**

Notes

All amounts in EUR.

	Group 31/12 2023	Group 31/12 2022	Parent 31/12 2023	Parent 31/12 2022
4. Completed development projects				
Cost 1 January 2023	11.430.207	9.316.442	11.449.777	9.340.601
Correction due to changes in accounting policies	0	0	-19.473	0
Translation at the exchange rate at the balance sheet date 31 December 2023	-25.098	0	-25.195	-4.618
Additions during the year	1.975.354	2.113.765	1.975.354	2.113.794
Cost 31 December 2023	**13.380.463**	**11.430.207**	**13.380.463**	**11.449.777**
Amortisation and write-down 1 January 2023	-7.004.656	-5.616.870	-7.004.753	-5.621.565
Translation at the exchange rate at the balance sheet date 31 December 2023	1.753	0	1.853	4.617
Amortisation and depreciation for the year	-1.686.068	-1.387.786	-1.686.068	-1.387.805
Depreciation, amortisation and impairment loss for the year, assets disposed of	15.317	0	15.314	0
Amortisation and write-down 31 December 2023	**-8.673.654**	**-7.004.656**	**-8.673.654**	**-7.004.753**
Carrying amount, 31 December 2023	**4.706.809**	**4.425.551**	**4.706.809**	**4.445.024**

The acknowledged "Concluded Development Projects" pertain to the enhancement of the SaaS platform, IBsuite. Continuous development efforts are dedicated to refining this SaaS platform, resulting in continuous expansions to the development project. The delivery of the company's fundamental services is facilitated through this dynamic platform.

Notes

All amounts in EUR.

		Group		Parent	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
5.	**Acquired trademarks**				
	Cost 1 January 2023	9.947	9.947	9.947	9.947
	Translation at the exchange rate at the balance sheet date 31 December 2023	-12	0	-12	0
	Cost 31 December 2023	**9.935**	**9.947**	**9.935**	**9.947**
	Amortisation and write-down 1 January 2023	-4.112	-3.117	-4.112	-3.117
	Amortisation and depreciation for the year	-993	-995	-993	-995
	Amortisation and write-down 31 December 2023	**-5.105**	**-4.112**	**-5.105**	**-4.112**
	Carrying amount, 31 December 2023	**4.830**	**5.835**	**4.830**	**5.835**
6.	**Other fixtures, fittings, tools and equipment**				
	Cost 1 January 2023	180.760	169.654	180.763	169.656
	Translation at the exchange rate at the balance sheet date 31 December 2023	-25	0	-28	1
	Additions during the year	0	11.106	0	11.106
	Disposals during the year	-103.535	0	-103.535	0
	Cost 31 December 2023	**77.200**	**180.760**	**77.200**	**180.763**
	Amortisation and write-down 1 January 2023	-163.794	-147.423	-163.796	-147.424
	Translation at the exchange rate at the balance sheet date 31 December 2023	-2	1	0	0
	Amortisation and depreciation for the year	-9.717	-16.372	-9.717	-16.372
	Depreciation, amortisation and impairment loss for the year, assets disposed of	103.536	0	103.536	0
	Amortisation and write-down 31 December 2023	**-69.977**	**-163.794**	**-69.977**	**-163.796**
	Carrying amount, 31 December 2023	**7.223**	**16.966**	**7.223**	**16.967**

Notes

All amounts in EUR.

		Group 31/12 2023	Group 31/12 2022
7.	**Leasehold improvements**		
	Cost 1 January 2023	211.384	211.384
	Cost 31 December 2023	**211.384**	**211.384**
	Depreciation and write-down 1 January 2023	-147.620	-98.755
	Translation at the exchange rate at the balance sheet date	120	1
	Amortisation and depreciation for the year	-37.294	-48.866
	Depreciation and write-down 31 December 2023	**-184.794**	**-147.620**
	Carrying amount, 31 December 2023	**26.590**	**63.764**

		Parent 31/12 2023	Parent 31/12 2022
8.	**Investments in group enterprises**		
	Cost 1 January 2023	34.153	34.153
	Disposals during the year	-2.118	0
	Cost 31 December 2023	**32.035**	**34.153**
	Revaluations, opening balance 1 January 2023	594.860	440.165
	Correction of previous revaluations	19.473	0
	Translation at the exchange rate at the balance sheet date	7.657	-15.616
	Net profit or loss for the year before amortisation of goodwill	204.512	170.311
	Reversal of prior revaluations	-78.368	0
	Revaluation 31 December 2023	**748.134**	**594.860**
	Carrying amount, 31 December 2023	**780.169**	**629.013**

Group enterprises:

	Domicile	**Equity interest**
IB Applications Limited	England	100 %
Insurance Business Applications SRL	Romania	100 %
Insurance Business Appliaciona SL	Spain	100 %
IB Applications GmbH	Germany	100 %

Notes

All amounts in EUR.

		Group		Parent	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
9.	**Deposits**				
	Cost 1 January 2023	113.400	118.768	72.179	77.547
	Additions during the year	8.518	2.865	3.831	2.865
	Disposals during the year	0	-8.085	0	-8.085
	Translation at the exchange rate at the balance sheet date 31 December 2023	0	-148	0	-148
	Cost 31 December 2023	**121.918**	**113.400**	**76.010**	**72.179**
	Carrying amount, 31 December 2023	**121.918**	**113.400**	**76.010**	**72.179**

10. Deferred tax assets

Deferred tax consists of tax credit. The tax credit is expected to be paid in November 2024.

11. Long term labilities other than provisions

Group and parent

	Total payables 31 Dec 2023	**Current portion of long term payables**	**Long term payables 31 Dec 2023**	**Outstandi g payables after 5 years**
Other payables	556.432	276.738	279.694	189.469
Payables to shareholders	944.086	0	944.086	0
	1.500.518	**276.738**	**1.223.780**	**189.469**

12. Charges and security

The company has provided security in company liquid assets with a nominal value of tEUR 40 at 31 December 2023.

Notes

All amounts in EUR.

12. Charges and security (continued)

The company has provided security in company assets representing a nominal value of 22,5 mio DKK, for payables to shareholders and management of tEUR 944. This security comprises the assets below, stating the carrying amounts:

	EUR in thousands
Trade receivables	1.180
Completed development projects	4.726
Aquired trademarks	5
Other fixtures and fittings, tools and equipment	7

13. Contingencies

Contingent liabilities

The group has entered into two lease agreemenst. The group is obliged to of the following:
- The Danish company has entered into a lease agreement that can be terminated no earlier than January 1, 2025, with a notice period of 6 months. This totals in a liability of t.DKK 2.475.
- The Romanian company has entered into a lease agreement with a notice period of 12 months. This totals in a liability of t.EUR 160.

14. Related parties

Transactions

The annual report only discloses related party transactions that have not been completed on a normal basis market conditions. No such transactions have been completed during the fnancial year.

Accounting policies

The annual report for INSURANCE BUSINESS APPLICATIONS A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Presentation changes
There have been minor presentation changes that have not impacted the annual result and equity.

Recognition and measurement in general
Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation
Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company INSURANCE BUSINESS APPLICATIONS A/S and those group enterprises of which INSURANCE BUSINESS APPLICATIONS A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

Accounting policies

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests
Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit or loss
Gross profit or loss comprises the revenue, and work in progress,cost of materials and consumables, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises assistance from external consultants.

Own work capitalised
Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible assets.

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

Accounting policies

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Other fixtures and fittings, tools and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of other fixtures and fittings, tools and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

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