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# ***Peakon ApS***

c/o Citco (Denmark) ApS, Holbergsgade 14, 2. tv.,  
DK-1057 København K

## **Annual Report for 1 January 2021 - 31 January 2022**

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CVR No 36 46 92 77

The Annual Report was  
presented and adopted at the  
Annual General Meeting of the  
Company on 28/7 2022

Shaun Robert Garth Redgrave  
Chairman of the General  
Meeting





**pwc**

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## Management's Statement

The Executive Board has today considered and adopted the annual report of Peakon ApS for the financial period 1 January 2021 - 31 January 2022.

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

In our opinion, the financial statements and management's review give a true and fair view of the financial position of the Company at 31 January 2022 and of the results of the Company's operations for the period 1 January 2021 to 31 January 2022.

We recommend that the annual report is adopted at the Annual General Meeting.

Copenhagen, 28 July 2022

### Executive Board



Shaun Robert Garth Redgrave



Brian Stephen Montgomery

# Independent Auditor's Report

To the shareholders of Peakon ApS

## Opinion

We have audited the financial statements of Peakon ApS for the financial year 1 January 2021 to 31 January 2022, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 January 2022, and of the results of the Company's operations for the financial year 1 January 2021 to 31 January 2022 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## The management's responsibilities for the annual accounts

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## Independent Auditor's Report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the management's review

The management is responsible for the management's review.

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

## Independent Auditor's Report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit or whether it otherwise appears to contain material misstatement.

Furthermore, 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 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 July 2022

**Grant Thornton**

Statsautoriseret Revisionspartnerselskab

*CVR No 34 20 99 36*

DocuSigned by:  
*Jacob Helly Juell-Hansen*

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Jacob Helly Juell-Hansen

State Authorised Public Accountant

mne36169

## **Company Information**

### **The Company**

Peakon ApS  
c/o Citco (Denmark) ApS  
Holbergsgade 14, 2. tv.  
DK-1057 København K

CVR No: 36 46 92 77

Financial period: 1 January 2021 - 31 January 2022

Municipality of reg. office: København

### **Executive Board**

Shaun Robert Garth Redgrave  
Brian Stephen Montgomery

### **Auditors**

Grant Thornton  
Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
DK-2100 København Ø

## Financial Highlights

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

	2021/22	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	354.093	200.466	122.153	52.798	12.003
Gross profit/loss	-299.486	-43.362	-102.097	-63.770	-44.999
Operating profit/loss	-315.968	-89.391	-136.309	-85.237	-56.375
Net financials	12.279	-2.022	-30	-581	-819
Net profit/loss for the period/year	-153.122	-91.117	-136.339	-85.819	-57.193
<b>Balance sheet</b>					
Balance sheet total	572.805	190.407	238.740	106.636	62.445
Equity	-96.766	56.179	147.136	58.181	8.633
Investment in property, plant and equipment	0	963	3.937	545	273
<b>Ratios</b>					
Gross margin	-84,6%	-21,6%	-83,6%	-120,8%	-374,9%
Net margin	-43,2%	-45,5%	-103,4%	-162,5%	-476,5%
Solvency ratio	-16,9%	29,5%	61,6%	54,6%	13,8%

The above financial highlights should be read in conjunction with the accompanying notes.



## Management's Review

### Key activities

The primary activity of the Company is the development of software for measuring and improving employee engagement, employee performance and full range of employee experience across the employee lifecycle. The Company sells licenses and professional support services for this software.

### Development in the period

On 9 March 2021 Workday, Inc., the ultimate parent Company of Workday Limited, completed the acquisition of Peakon ApS. The workforce of the Company and the 100% shareholding was transferred to Workday Limited.

The net turnover of the Company for the period ended 31 January 2022 is DKK 354.093.060 (2020: DKK 200.465.992). Net results (loss) for the period ended 31 January 2022 from ordinary activities after tax is DKK 153.122.241 (2020: DKK 91.117.183).

### Future developments

Management expects 2022 revenue in the range of (305 -336) million DKK and an additional 3 billion DKK of other income from the sale of Intellectual Property. The projections are based on maintaining the current contracts with customers as well as a sales agreement which has been signed in 2022.

A net profit before tax of approx. of 3 billion DKK is expected, which assumes that profit-margins will be on level with the current year. Management is confident in the Company's ability to maintain a financially stable position and deliver long-term growth.

### Principal risks and uncertainties

The principal risks and uncertainties currently facing the business include the threat of competition, intellectual property protection risk and challenges associated with recruitment and retention of highly skilled employees.

Management has considered its exposure to the following risks and does not consider the Company to have significant exposures in respect of these risks.

The Company's principal financial assets include cash, other debtors and amounts due from group undertakings. The credit risk associated with cash is limited. There is also limited risk with amounts due from group undertakings. Exposure to credit risk is monitored on an ongoing basis.

Currency risk is the risk that the fair value of the future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to currency risk is monitored on an ongoing basis.

These risks are managed in accordance with policies approved by the directors.

## **Management's Review**

### **External environment**

The Company currently has no formal assessment of its environmental impact. As a software service provider, our business activities are not considered to be carbon intensive.

### **Uncertainty relating to recognition and measurement**

In preparing these financial statements, management has made certain judgements, estimates and assumptions in line with the Company's accounting policies. Management has not identified any material uncertainties relating to recognition and measurement.

### **Subsequent events**

On 31 March 2022 Workday Limited transferred their 100% shareholding of the Company to Workday, Inc., the ultimate parent company of Workday Limited, in exchange for the cancellation of a USD 700 million loan owed to Workday, Inc..

On 1 April 2022 Peakon ApS transferred the rights to all intellectual property to Workday, Inc., for a consideration of DKK 3,039 billion (via an intercompany loan denominated in DKK, equivalent to USD 452 million), resulting in a gain recorded in the profit and loss account for the full amount of the consideration received on the same date. The Retained Earnings account balance shall increase by the amount of gain thus recorded. Intellectual property consists of customer relationship, technology, trade name and backlog.

On 28 July 2022, the shareholders approved an extraordinary dividend payment of DKK 2.4 billion to the parent company Workday, Inc..

### **Going concern**

The statement of financial position shows net current liability of DKK 97 million (2020: net current asset DKK 56 million). The Company meets its day-to-day working capital requirements by way of advances from group companies. The ultimate parent, Workday, Inc., has confirmed that it will provide financial support to the Company, as required, for a period of no less than twelve months from the date of approval of these financial statements. On the basis of this information, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

## Income Statement

### 1 January 2021 - 31 January 2022

	Note	2021/22 DKK (13 mths)	2020 DKK (12 mths)
<b>Revenue</b>		<b>354.093.060</b>	<b>200.465.992</b>
Other operating income		2.636.685	0
Other external expenses	3	<u>-656.215.658</u>	<u>-243.827.872</u>
<b>Gross profit/loss</b>		<b>-299.485.913</b>	<b>-43.361.880</b>
Staff expenses	4	-13.592.053	-44.557.635
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-253.765	-1.471.227
Other operating expenses		<u>-24.741.350</u>	<u>0</u>
<b>Profit/loss before financial income and expenses</b>		<b>-338.073.081</b>	<b>-89.390.742</b>
Financial income		12.430.786	1.631
Financial expenses		<u>-151.818</u>	<u>-2.023.263</u>
<b>Profit/loss before tax</b>		<b>-325.794.113</b>	<b>-91.412.374</b>
Tax on loss for the period/year	6	<u>172.671.872</u>	<u>295.191</u>
<b>Net loss for the period/year</b>		<b><u>-153.122.241</u></b>	<b><u>-91.117.183</u></b>

## Balance Sheet 31 January 2022

### Assets

	Note	31/1 2022 DKK	31/12 2020 DKK
Acquired other similar rights		0	643.655
<b>Intangible assets</b>	8	<b>0</b>	<b>643.655</b>
Other fixtures and fittings, tools and equipment		0	2.702.381
<b>Property, plant and equipment</b>	9	<b>0</b>	<b>2.702.381</b>
Investments in subsidiaries	10	186.414	187.090
Deposits	11	0	4.522.011
<b>Fixed asset investments</b>		<b>186.414</b>	<b>4.709.101</b>
<b>Fixed assets</b>		<b>186.414</b>	<b>8.055.137</b>
Trade receivables		35.453.417	7.767.027
Other receivables		10.739.711	340.076
Deferred tax asset	12	173.110.732	0
Corporation tax		0	291.294
Prepayments	13	0	31.115.693
<b>Receivables</b>		<b>219.303.860</b>	<b>39.514.090</b>
<b>Cash at bank and in hand</b>		<b>353.314.623</b>	<b>142.837.640</b>
<b>Currents assets</b>		<b>572.618.483</b>	<b>182.351.730</b>
<b>Assets</b>		<b>572.804.897</b>	<b>190.406.867</b>

## Balance Sheet 31 January 2022

### Liabilities and equity

	Note	31/1 2022 DKK	31/12 2020 DKK
Share capital	14	3.494.129	3.317.036
Retained earnings		-100.260.151	52.862.090
<b>Equity</b>		<b>-96.766.022</b>	<b>56.179.126</b>
Credit institutions		0	4.922.351
Other payables		0	3.438.570
<b>Long-term debt</b>	15	<b>0</b>	<b>8.360.921</b>
Trade payables		561.975	6.138.670
Payables to group enterprises		562.296.716	20.536.508
Other payables	15	1.685.045	8.916.644
Deferred income	16	105.027.183	90.274.998
<b>Short-term debt</b>		<b>669.570.919</b>	<b>125.866.820</b>
<b>Debt</b>		<b>669.570.919</b>	<b>134.227.741</b>
<b>Liabilities and equity</b>		<b>572.804.897</b>	<b>190.406.867</b>
Going concern	1		
Subsequent events	2		
Distribution of profit	7		
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Accounting Policies	19		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2021	3.317.036	52.862.090	56.179.126
Cash capital increase	177.093	0	177.093
Net profit/loss for the period/year	0	-153.122.241	-153.122.241
<b>Equity at 31 January 2022</b>	<b>3.494.129</b>	<b>-100.260.151</b>	<b>-96.766.022</b>

# Notes to the Financial Statements

## 1 Going concern

The statement of financial position shows net current liability of DKK 97 million (2020: net current asset DKK 56 million). The Company meets its day-to-day working capital requirements by way of advances from group companies. The ultimate parent, Workday, Inc., has confirmed that it will provide financial support to the Company, as required, for a period of no less than twelve months from the date of approval of these financial statements. On the basis of this information, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

## 2 Subsequent events

On 31 March 2022 Workday Limited transferred their 100% shareholding of the Company to Workday, Inc., the ultimate parent company of Workday Limited, in exchange for the cancellation of a USD 700 million loan owed to Workday, Inc..

On 1 April 2022 Peakon ApS transferred the rights to all intellectual property to Workday, Inc., for a consideration of DKK 3,039 billion (via an intercompany loan denominated in DKK, equivalent to USD 452 million), resulting in a gain recorded in the profit and loss account for the full amount of the consideration received on the same date. The Retained Earnings account balance shall increase by the amount of gain thus recorded. Intellectual property consists of customer relationship, technology, trade name and backlog.

On 28 July 2022, the shareholders approved an extraordinary dividend payment of DKK 2.4 billion to the parent company Workday, Inc..

## 3 Special items

Included in other external expenses is intercompany expenses of DKK 630 million. The amount is significant in nature and it relates to the expenses which have been incurred as a result of the acquisition of Peakon ApS and its subsidiaries in March 2021. Previously this expense was related to Peakon Aps and its subsidiaries only. Following the acquisition this expense includes intercompany recharges between Peakon Aps, its parent company and other affiliated companies. These transactions are carried out at arm's length and in line with intercompany agreements.

## Notes to the Financial Statements

	2021/22	2020
	DKK (13 mths)	DKK (12 mths)
<b>4 Staff expenses</b>		
Wages and salaries	12.825.104	39.347.345
Pensions	482.862	1.610.657
Other social security expenses	284.087	3.599.633
	<b>13.592.053</b>	<b>44.557.635</b>
<b>Average number of employees</b>	<b>17</b>	<b>62</b>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The number of employees as of January 31, 2022 is zero as all employees have been transferred to Workday Denmark ApS from April 2021.

	2021/22	2020
	DKK (13 mths)	DKK (12 mths)
<b>5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	62.319	371.549
Depreciation of property, plant and equipment	191.446	1.099.678
	<b>253.765</b>	<b>1.471.227</b>

	2021/22	2020
	DKK (13 mths)	DKK (12 mths)
<b>6 Tax on loss for the period/year</b>		
Current tax for the period/year	0	-63.588
Deferred tax for the year	-94.878.218	0
Adjustment of tax concerning previous years	438.860	-231.603
Adjustment of deferred tax concerning previous years	-78.232.514	0
	<b>-172.671.872</b>	<b>-295.191</b>



## Notes to the Financial Statements

	2021/22 DKK (13 mths)	2020 DKK (12 mths)
<b>7 Distribution of profit</b>		
Retained earnings	-153.122.241	-91.117.183
	<b>-153.122.241</b>	<b>-91.117.183</b>
<b>8 Intangible assets</b>		Acquired other similar rights DKK
Cost at 1 January 2021		1.121.746
Disposals for the period		-1.121.746
Cost at 31 January 2022		0
Impairment losses and amortisation at 1 January 2021		478.091
Amortisation for the period		-62.319
Impairment and amortisation of sold assets for the period		62.319
Reversal of amortisation of disposals for the period		-478.091
Impairment losses and amortisation at 31 January 2022		0
<b>Carrying amount at 31 January 2022</b>		<b>0</b>
<b>9 Property, plant and equipment</b>		Other fixtures and fittings, tools and equipment DKK
Cost at 1 January 2021		4.913.654
Additions for the period		81.757
Disposals for the period		-4.995.411
Cost at 31 January 2022		0

## Notes to the Financial Statements

### 9 Property, plant and equipment (continued)

	Other fixtures and fittings, tools and equipment DKK
Impairment losses and depreciation at 1 January 2021	-2.211.273
Depreciation for the period	-191.446
Impairment and depreciation of sold assets for the period	191.446
Reversal of impairment and depreciation of sold assets	2.211.273
Impairment losses and depreciation at 31 January 2022	<u>0</u>
<b>Carrying amount at 31 January 2022</b>	<b><u>0</u></b>

### 10 Investments in subsidiaries

	31/1 2022 DKK	31/12 2020 DKK
Cost at 1 January 2021	187.090	187.090
Disposals for the period/year	-676	0
<b>Carrying amount at 31 January 2022</b>	<b><u>186.414</u></b>	<b><u>187.090</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Peakon GmbH	Germany	100%	1.303.718	440.402
Peakon NZ Limited	New Zealand	100%	496.041	242.920
Peakon Ltd	United Kingdom	100%	15.959.581	6.316.073

Foreign subsidiaries are translated from local currency to DKK.

Amount of equity and the profit or loss for the year is according to the most recently approved annual report (Fiscal year 2020).

## Notes to the Financial Statements

### 11 Other fixed asset investments

	<u>Deposits</u> DKK
Cost at 1 January 2021	4.522.010
Disposals for the period	<u>-4.522.010</u>
Cost at 31 January 2022	<u>0</u>
<b>Carrying amount at 31 January 2022</b>	<b><u>0</u></b>

### 12 Deferred tax asset

	<u>31/1 2022</u> DKK	<u>31/12 2020</u> DKK
Deferred tax asset at 1 January 2021	0	0
Amounts recognised in the income statement for the year	94.878.218	0
Amounts recognised in the income statement for prior years	<u>78.232.514</u>	<u>0</u>
<b>Deferred tax asset at 31 January 2022</b>	<b><u>173.110.732</u></b>	<b><u>0</u></b>

### 13 Prepayments

Prepayments relate to prepaid rent, insurance, marketing, software subscriptions, etc.

## Notes to the Financial Statements

### 14 Share capital

The share capital is broken down as follows:

	Number	Nominal value DKK
A-shares	110.825.360	1.108.253
B1 shares	80.730.200	807.302
B2 shares	65.973.959	659.740
Z shares	91.883.376	918.834
		<b>3.494.129</b>

The share capital has developed as follows:

	2021/22 DKK	2020 DKK	2019 DKK	2018 DKK	2017 DKK
Share capital at 1 January					
2021	3.317.036	3.317.036	2.717.856	1.944.149	1.456.634
Capital increase	177.093	0	599.180	773.707	487.515
Capital decrease	0	0	0	0	0
<b>Share capital at 31 January 2022</b>	<b>3.494.129</b>	<b>3.317.036</b>	<b>3.317.036</b>	<b>2.717.856</b>	<b>1.944.149</b>

### 15 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	31/1 2022 DKK	31/12 2020 DKK
<b>Credit institutions</b>		
Between 1 and 5 years	0	4.922.351
Long-term part	0	4.922.351
Within 1 year	0	0
	<b>0</b>	<b>4.922.351</b>

## Notes to the Financial Statements

### 15 Long-term debt (continued)

	<u>31/1 2022</u>	<u>31/12 2020</u>
	DKK	DKK
<b>Other payables</b>		
Between 1 and 5 years	0	3.438.570
Long-term part	0	3.438.570
Other short-term payables	1.685.045	8.916.644
	<u><b>1.685.045</b></u>	<u><b>12.355.214</b></u>

### 16 Deferred income

Deferred income is composed of subscription-based revenue already invoiced relating to subsequent financial years.

	<u>31/1 2022</u>	<u>31/12 2020</u>
	DKK	DKK
<b>17 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Rental and lease agreements until maturity	0	9.317.349
	<u><b>0</b></u>	<u><b>9.317.349</b></u>

# Notes to the Financial Statements

## 18 Related parties

### Basis

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#### Controlling interest

Workday Limited, Kings Building, 152-155 Church Street May Lane, Dublin 7, Ireland	Parent company
Workday, Inc., The Corporation Trust Company Corporation Trust Center, 1209 Orange Street Wilmington, DE 19801, USA	Ultimate parent company

#### Transactions

During the year, the Company had the following transactions with related parties:

All transactions with related parties are entered into at arm's length.

Sale of services to group enterprises

Workday, Inc., TDKK 22.284 (2020: TDKK 0)

Other related parties, TDKK 26.595 (2020: TDKK 0)

Purchase of services

Workday, Inc., TDKK 195.322 (2020: TDKK 0)

Other related parties, TDKK 435,315 (2020: TDKK 184.365)

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

Receivables

Workday, Inc., TDKK 25.187 (2020: TDKK 0)

Other related parties, TDKK 38.384 (2020: TDKK 56.809)

Payables

Workday, Inc., TDKK 197.903 (2020: 0)

Other related parties, TDKK 427.965 (2020: TDKK 77.345)

## Notes to the Financial Statements

### 18 Related parties (continued)

#### Consolidated Financial Statements

The immediate parent company and controlling party is Workday Limited, a limited company incorporated in the Republic of Ireland with its registered office at The King's Building, May Lane, Dublin 7, Republic of Ireland.

The ultimate parent company and controlling party is Workday, Inc., a company incorporated in the United States of America with its registered office at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America.

The smallest and largest group into which the results of Peakon ApS are consolidated is Workday, Inc. The consolidated financial statements are available from the ultimate parent company's website at [www.workday.com/en-us/company/investor-relations.html](http://www.workday.com/en-us/company/investor-relations.html).

<u>Name</u>	<u>Place of registered office</u>
Workday, Inc.	The Corporation Trust Company Corporation Trust Center, 1209 Orange Street Wilmington, DE 19801, USA

## Notes to the Financial Statements

### 19 Accounting Policies

The annual report of Peakon ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from prior year.

The figures in financial statements for 2021/22 are rounded off to the nearest thousand DKK unless otherwise stated.

The financial year end has been changed from 31/12 to 31/1 due to the Workday acquisition of the Company. The current financial period comprises 13 months from 1 January 2021 to 31 January 2022. The comparison figures for the prior year have not been adjusted.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Workday, Inc., the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Workday Inc., the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial period.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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



## Notes to the Financial Statements

### 19 Accounting Policies (continued)

#### Translation policies

Upon initial recognition, foreign currency transactions are translated by applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income Statement

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Revenue is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers".

#### Other external expenses

Other external expenses include expenses relating to the Company'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.

#### Staff expenses

Staff expenses are comprised of wages and salaries, including holiday allowance and pensions and other social security costs for the Company's employees.

#### Amortisation, depreciation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial period, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

## Notes to the Financial Statements

### 19 Accounting Policies (continued)

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

#### Financial income and expenses

Other financial income comprises interest income, including net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

#### Tax on profit/loss for the period

Tax for the period, which consists of current tax for the period and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the period and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance Sheet

#### Intangible assets

Intellectual property rights and acquired intellectual property rights comprise software development.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

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

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

## Notes to the Financial Statements

### 19 Accounting Policies (continued)

Fixtures and fittings  
and office equipment 3-5 years

Estimated useful lives and residual values are reassessed annually.

#### Impairment of fixed assets

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount

#### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

#### Other fixed asset investments

Other fixed asset investments consist of deposits.

#### Receivables

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been 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.

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 of the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

## Notes to the Financial Statements

### 19 Accounting Policies (continued)

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

#### Current tax receivables and liabilities

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this period's taxable income, adjusted for prepaid tax.

#### Financial debts

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Net margin	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$