

Peakon ApS

c/o Citco (Denmark) ApS
Nybrogade 12
1203 Copenhagen K
Denmark

Annual Report for 1 February 2022 - 31 January 2023

CVR No 36469277

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on 8 September 2023

Shaun Robert Garth Redgrave
Chairman of the General Meeting

CONTENTS

	Page
MANAGEMENT'S STATEMENT AND AUDITOR'S REPORT	
MANAGEMENT'S STATEMENT	3
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT'S REVIEW	
COMPANY INFORMATION	7
FINANCIAL HIGHLIGHTS	8
MANAGEMENT'S REVIEW	9
FINANCIAL STATEMENTS	
INCOME STATEMENT 1 FEBRUARY 2022 - 31 JANUARY 2023	11
BALANCE SHEET 31 JANUARY 2023	12
STATEMENT OF CHANGES IN EQUITY	13
NOTES TO THE FINANCIAL STATEMENTS	14

MANAGEMENT'S STATEMENT

The Executive Board has today considered and adopted the annual report of Peakon ApS (the 'Company') for the financial year 1 February 2022 - 31 January 2023.

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 2023 and of the results of the Company's operations for the period 1 February 2022 - 31 January 2023.

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

Copenhagen, 8 September 2023

Executive Board

Shaun Robert Garth Redgrave

Brian Stephen Montgomery

Independent auditor's report

To the Shareholders of Peakon ApS

Auditor's report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Peakon ApS for the financial year 1 February 2022 - 31 January 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 January 2023, and of the results of the Company's operations for the financial year 1 February 2022 - 31 January 2023 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

With reference to disclosure note 3, the dividend declared during the financial year was deemed non-compliant with section 180(2) in the Danish Companies Act. In accordance with the Danish Companies Act

Workday Inc. repaid the dividend and has accrued interest of DKK 43,036 thousand corresponding an interest of 3.5 % during the financial year. We believe the interest should have been calculated in accordance with Danish legislation corresponding and interest of 9.55 % to 11.90 %, hence the interest should have been DKK 121,433 thousand.

Residual effects of the misstatement are DKK 78,397 thousand to Receivables from shareholders and management and DKK 17,247 thousand to Corporation tax.

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.

Management’s Responsibilities for the Financial Statements

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

Independent auditor's report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, 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.

Conflict with the Danish Companies Act's requirements regarding distribution of dividend

In conflict with the Danish Companies Act section 180(2) management made a dividend that exceeded the free reserves at the point in time and management can be held liable.

Copenhagen, 8 September 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

COMPANY INFORMATION

The Company

Peakon ApS
c/o Citco (Denmark) ApS
Nybrogade 12
1203 Copenhagen K
Denmark

CVR No: 36469277

Financial year: 1 February 2022 - 31 January 2023

Executive Board

Shaun Robert Garth Redgrave
Brian Stephen Montgomery

Auditors

Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 Copenhagen
Denmark

FINANCIAL HIGHLIGHTS

The development of the Company over the last five year period, is described by the following financial highlights:

	2023	2021/22	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Revenue	196,936	354,093	200,466	122,153	52,798
Gross profit/loss	2,989,040	(299,486)	(43,362)	(102,097)	(63,770)
Operating profit/loss	2,989,087	(315,968)	(89,391)	(136,309)	(85,237)
Net financials	72,154	12,279	(2,022)	(30)	(581)
Net profit/loss for the period/year	2,353,507	(153,122)	(91,117)	(136,339)	(85,819)
Balance sheet					
Balance sheet total	2,575,969	572,805	190,407	238,740	106,636
Equity	2,256,741	(96,766)	56,179	147,136	58,181
Investment in property, plant and equipment	0	0	963	3,937	545
Ratios					
Gross margin	1,517.8 %	(84.6)%	(21.6)%	(83.6)%	(120.8)%
Net margin	1,195.1 %	(43.2)%	(45.5)%	(103.4)%	(162.5)%
Solvency ratio	87.6 %	(16.9)%	29.5 %	61.6 %	54.6 %

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 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 million (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. Intellectual property consists of customer relationship, technology, trade name and revenue backlog.

Please refer to the Management's review section "Subsequent events" for further details on the dividend.

The net turnover of the Company for the year ended 31 January 2023 is DKK 196,935,942 (2022: DKK 354,093,060). Net results for the year ended 31 January 2023 from ordinary activities after tax is a profit of DKK 2,353,506,581 (2022: a loss of DKK 153,122,241).

Future developments

Management expects during the financial year 2024, revenue in the range of DKK 73 million. The projections are based on maintaining the current contracts with customers as well as a sales agreement which has been signed in 2023.

Management is confident in the Company's ability to maintain a financially stable position.

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.

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.

MANAGEMENT'S REVIEW - continued

Subsequent events

In June 2023, an error was discovered in the distributable reserves calculation that supported the dividend in July 2022 by the Company. As a result, the DKK 2.4 billion dividend was identified as non-compliant with Section 182 of the Danish Companies Act.

Section 194 of the Danish Companies Act requires the shareholder to repay the non-compliant dividend received along with interest accrued "only if the shareholder realised or ought to have realised that the distribution was unlawful". Neither Workday, Inc., the sole shareholder who received the dividend, nor the management, realised or should have realised an error was made in the distributable reserve calculation.

Workday, Inc. was confident that the dividend was received in good faith without any knowledge of the non-compliance issue, accordingly the management met with the Danish Business Authority on 25 August 2023 to confirm the availability of the relief under section 194(1) of the Danish Companies Act. The Danish Business Authority did not give an opinion but instead asked the Company to report the non-compliance issue based on their best judgement.

Workday, Inc. made a voluntary repayment of an amount equal to the dividend including interest at a rate of 3.5% to the Company. The interest was calculated in accordance with the original intercompany loan agreement dated 1 April 2022. The intercompany receivable from Workday, Inc. had been reduced when the dividend was paid in July 2022. Workday, Inc. does not believe there is an obligation to repay the dividend but has done so exclusively for financial reporting purposes.

On 8 September 2023, the shareholders approved a dividend payment of DKK 2.15 billion to the parent company Workday, Inc..

Going concern

The statement of financial position shows net current asset of DKK 2,257 million (2022: net current liability of DKK 97 million). The Company meets its day-to-day working capital requirements by way of advances from group companies. The 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 FEBRUARY 2022 - 31 JANUARY 2023

	Notes	2023 DKK (12 months)	2021/22 DKK (13 months)
Revenue		<u>196,935,942</u>	<u>354,093,060</u>
Other operating income	3	3,038,924,731	2,636,685
Other external expenses		<u>(246,820,181)</u>	<u>(656,215,658)</u>
Gross profit/loss		2,989,040,492	(299,485,913)
Staff expenses	4	46,152	(13,592,053)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	0	(253,765)
Other operating expenses		<u>0</u>	<u>(24,741,350)</u>
Profit/loss before financial income and expenses		2,989,086,644	(338,073,081)
Income from subsidiaries		17,025,661	0
Write down of financial assets	6	(186,414)	0
Financial income	7	75,593,025	12,430,786
Financial expenses		<u>(3,439,443)</u>	<u>(151,818)</u>
Profit/loss before tax		3,078,079,473	(325,794,113)
Tax on profit/loss for the period/year	8	<u>(724,572,892)</u>	<u>172,671,872</u>
Net profit/loss for the period/year		<u>2,353,506,581</u>	<u>(153,122,241)</u>

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET 31 JANUARY 2023

	Notes	2023 DKK	2022 DKK
Assets			
Investments in subsidiaries	10	0	186,414
Fixed asset investments		0	186,414
Fixed assets		0	186,414
Trade receivables		15,222,948	35,453,417
Other receivables		11,009,461	10,739,711
Deferred tax asset	11	0	173,110,732
Receivables from group companies		2,443,035,616	0
Receivables		2,469,268,025	219,303,860
Cash at bank and in hand	12	106,701,203	353,314,623
Current assets		2,575,969,228	572,618,483
Assets		2,575,969,228	572,804,897
Liabilities and equity			
Share capital	13	3,494,129	3,494,129
Retained earnings		103,246,430	(100,260,151)
Proposed dividend for the year		2,150,000,000	0
Equity		2,256,740,559	(96,766,022)
Trade payables		51,785	561,975
Payables to group companies		226,975,654	562,296,716
Other payables	14	1,555,478	1,685,045
Deferred income	15	34,292,484	105,027,183
Corporation tax		56,353,268	0
Short-term debt		319,228,669	669,570,919
Debt		319,228,669	669,570,919
Liabilities and equity		2,575,969,228	572,804,897
Accounting policies	1		
Going concern	2		
Distribution of profit	9		
Joint taxation	16		
Related parties	17		

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 January 2023

	Share capital DKK	Retained earnings DKK	Proposed Dividends DKK	Total DKK
Equity at 1 February 2022	3,494,129	(100,260,151)	—	(96,766,022)
Net profit for the year	0	203,506,581	2,150,000,000	2,353,506,581
Equity at 31 January 2023	<u>3,494,129</u>	<u>103,246,430</u>	<u>2,150,000,000</u>	<u>2,256,740,559</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

The accounting policies applied remain unchanged from prior year.

The financial statements for 2023 are presented in DKK.

The financial year end has been changed from 31/12 to 31/1 due to the Workday acquisition of the Company. The previous financial period comprises 13 months from 1 January 2021 to 31 January 2022.

1.1 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.

1.2 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.

1.3 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.

1.4 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies - continued

1.5 Income statement

(a) 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".

(b) Income from subsidiaries

Income from subsidiaries comprised of dividend income received from subsidiaries as part of the wind down.

(c) Write down of financial assets

The write down of financial assets represents the shortfall between the carrying value of the investment in subsidiaries and the recoverable amount of the assets.

(d) 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 write downs of receivables recognised in current assets.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies - continued

1.5 Income statement - continued

(i) 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.

Tax on uncertain tax positions is recognised in the income statement. The provision for taxes includes the effects on any accruals that are appropriate.

1.6 Balance sheet

(a) Impairment of fixed assets

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

(b) Investments in subsidiaries

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

(c) 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.

(d) Prepayments

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

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies - continued

1.6 Balance sheet - continued

(f) 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.

With Workday Denmark ApS, CVR No: 36424141, as administration company, the Company is subject to the Danish scheme of joint taxation and unlimitedly, jointly and severally liable, along with other jointly taxed companies, for the total corporation tax.

The Company is unlimitedly, jointly and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties and dividends.

(g) Deferred income

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

2 Going concern

The statement of financial position shows net current asset of DKK 2,257 million (2022: net current liability of DKK 97 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.

3 Other operating income

Special items

On 1 April 2022 Peakon ApS transferred the rights to all intellectual property to Workday, Inc., for a consideration of DKK 3,039 million (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. Intellectual property consists of customer relationship, technology, trade name and revenue backlog.

4 Staff expenses

	2023 DKK	2022 DKK
Wages and salaries	0	12,825,104
Pensions	0	482,862
Other social security expenses	(46,152)	284,087
	<u>(46,152)</u>	<u>13,592,053</u>
Average number of employees	<u>0</u>	<u>17</u>

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 31 January 2023 is zero as all employees have been transferred to Workday Denmark ApS from April 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	2023	2022
	DKK	DKK
Amortisation of intangible assets	0	62,319
Depreciation of property, plant and equipment	0	191,446
	<u>0</u>	<u>253,765</u>

6 Write down of financial assets

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

During the financial year 2023, investments in subsidiaries were written down due to the wind down or merging of the entities. On 1 February 2022, Peakon GmbH was merged with Workday GmbH. On 18 January 2023, Peakon NZ Limited was liquidated. The wind down of Peakon Ltd is in progress. Accordingly, a loss of DKK 186,414 has been recognised in the income statement in the year.

7 Financial income

	2023	2022
	DKK	DKK
Bank interest income	47,237	0
Interest received from group companies	75,545,788	0
Foreign exchange gain	0	12,430,786
	<u>75,593,025</u>	<u>12,430,786</u>

8 Tax on profit/loss for the period/year

	2023	2022
	DKK	DKK
Current tax for the period/year	551,353,268	0
Deferred tax for the year	173,060,228	(94,878,218)
Adjustment of tax concerning previous years	0	438,860
Adjustment of deferred tax concerning previous years	50,504	(78,232,514)
Tax refund	(48,650)	0
Withholding tax	157,542	0
	<u>724,572,892</u>	<u>(172,671,872)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Distribution of profit

	2023 DKK	2022 DKK
Transferred to retained earnings	203,506,581	(153,122,241)
Proposed for dividends	2,150,000,000	0
	<u>2,353,506,581</u>	<u>(153,122,241)</u>

10 Investments in subsidiaries

	2023 DKK	2022 DKK
Cost at 1 February	186,414	187,090
Disposals for the period/year	0	(676)
Cost at 31 January	<u>186,414</u>	<u>186,414</u>
Impairment losses at 1 February	0	0
Impairment losses	186,414	0
Impairment losses at 31 January	<u>186,414</u>	<u>0</u>
Carrying amount at 31 January	<u>0</u>	<u>186,414</u>

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

During the financial year 2023, investments in subsidiaries were written down due to the wind down or merging of the entities. On 1 February 2022, Peakon GmbH was merged with Workday GmbH. On 18 January 2023, Peakon NZ Limited was liquidated. The wind down of Peakon Ltd is in progress. Accordingly, a loss of DKK 186,414 has been recognised in the income statement in the year.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Peakon Ltd	United Kingdom	100%	126,954	126,954

Foreign subsidiaries are translated from local currency to DKK.

The amount of equity and the profit or loss for the year is according to the most recent trial balance report (Fiscal year 2023).

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Deferred tax asset

	2023 DKK	2022 DKK
Deferred tax asset at 1 February	173,110,732	0
Amounts recognised in the income statement for the year	(173,060,228)	94,878,218
Amounts recognised in the income statement for prior years	(50,504)	78,232,514
Deferred tax asset at 31 January	<u>0</u>	<u>173,110,732</u>

12 Cash at bank and in hand

At 31 January 2023, the Company had the following bank guarantee in place with Spar Nord:

Account name	Country	Amount DKK
Peakon ApS	Denmark	2,064,713

The bank guarantee was put in place in order to meet lease requirements by the landlord for office spaces that Workday leases. The bank guarantee was in place until the agreed upon expiration as mentioned in the lease agreement. No outflow from the bank guarantee was made.

13 Share capital

The share capital is broken down as follows:

	Number	Nominal value DKK
Shares	349,412,895	<u>3,494,129</u>
		<u>3,494,129</u>

The share capital is broken down as follows:

	2022/23 DKK	2021/22 DKK	2020 DKK	2019 DKK	2018 DKK
Share capital at 1 February 2022	3,494,129	3,317,036	3,317,036	2,717,856	1,944,149
Capital increase	0	177,093	0	599,180	773,707
Capital decrease	0	0	0	0	0
Share capital at 31 January 2023	<u>3,494,129</u>	<u>3,494,129</u>	<u>3,317,036</u>	<u>3,317,036</u>	<u>2,717,856</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Other payables

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

	2023	2022
	DKK	DKK
Other payables		
Other short-term payables	1,555,478	1,685,045
	<u>1,555,478</u>	<u>1,685,045</u>

15 Deferred income

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

16 Joint taxation

With Workday Denmark ApS, CVR No: 36424141, as administration company, the Company is subject to the Danish scheme of joint taxation and unlimitedly, jointly and severally liable, along with other jointly taxed companies, for the total corporation tax.

The Company is unlimitedly, jointly and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties and dividends.

17 Related parties

	<u>Basis</u>
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Controlling interest

Workday, Inc., The Corporation Trust Company
Corporation Trust Center, 1209 Orange Street
Wilmington, DE 19801, USA

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 companies

Workday, Inc.	TDKK 16,168 (2022: TDKK 22,284)
Other related parties	TDKK 18,065 (2022: TDKK 26,595)

Purchase of services

Workday, Inc.	TDKK 43,243 (2022: TDKK 195,322)
Other related parties	TDKK 203,732 (2022: TDKK 435,315)

Interest received (Note 8)

Workday, Inc.	TDKK 75,546 (2022: TDKK 0)
Other related parties	TDKK 0 (2022: TDKK 0)

NOTES TO THE FINANCIAL STATEMENTS - continued

Intellectual property transferred to group companies (Note 4)

Workday, Inc.	TDKK 3,038,925 (2022: TDKK 0)
Other related parties	TDKK 0 (2022: TDKK 0)

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

Receivables

Workday, Inc.	TDKK 2,443,036 (2022: TDKK 0)
Other related parties	TDKK 3,535 (2022: TDKK 15,411)

Payables

Workday, Inc.	TDKK 378 (2022: TDKK 172,716)
Other related parties	TDKK 230,133 (2022: TDKK 404,992)

Consolidated Financial Statements

The 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.

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

18 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	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$