

Peakon ApS

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

Annual Report for 1 February 2023 - 31 January 2024

CVR No 36469277

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on 31 July 2024

Shaun Robert Garth Redgrave
Chairman of the General Meeting

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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 2023 - 31 January 2024.

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 2024 and of the results of the Company's operations for the period 1 February 2023 - 31 January 2024.

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

Copenhagen, 31 July 2024

Executive Board

Shaun Robert Garth Redgrave

Brian Stephen Montgomery

INDEPENDENT AUDITOR'S REPORT

[Placeholder for Auditors report]

INDEPENDENT AUDITOR'S REPORT - continued

INDEPENDENT AUDITOR'S REPORT - continued

COMPANY INFORMATION

The Company

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

CVR No: 36469277

Financial year: 1 February 2023 - 31 January 2024

Executive Board

Shaun Robert Garth Redgrave
Brian Stephen Montgomery

Auditors

Grant Thornton
Godkendt 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:

	2024 DKK'000	2023 DKK'000 (Restated)*	2021/22 DKK'000	2020 DKK'000	2019 DKK'000
Key figures					
Profit/loss					
Revenue	38,425	196,936	354,093	200,466	122,153
Gross profit/loss	2,019	2,989,040	(299,486)	(43,362)	(102,097)
Operating profit/loss	2,019	2,989,087	(315,968)	(89,391)	(136,309)
Net financials	1,837	17,762	12,279	(2,022)	(30)
Net profit/loss for the period/year	2,267	2,311,081	(153,122)	(91,117)	(136,339)
Balance sheet					
Balance sheet total	215,472	122,318	572,805	190,407	238,740
Equity	157,519	(185,685)	(96,766)	56,179	147,136
Investment in property, plant and equipment	0	0	0	963	3,937
Ratios					
Gross margin	5.3 %	1,517.8 %	(84.6)%	(21.6)%	(83.6)%
Net margin	5.9 %	1,173.5 %	(43.2)%	(45.5)%	(103.4)%
Solvency ratio	73.1 %	(151.8)%	(16.9)%	29.5 %	61.6 %

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

The 2021/22 financial period end was changed from 31 December to 31 January due to the Workday acquisition of the Company. The 2021/22 financial period comprises 13 months from 1 January 2021 to 31 January 2022. All other financial years following 2021/22 comprises 12 months from 1 February to 31 January.

(*) see note 1.7 for further details of the prior year adjustments.

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

Please see note 1.7 for further details on the dividend and the restatement of financial statements for the year end 31 January 2023.

The net turnover of the Company for the year ended 31 January 2024 is DKK 38,425,476 (2023: DKK 196,935,942). Net results for the year ended 31 January 2024 from ordinary activities after tax is a profit of DKK 2,266,561 (2023: a profit of DKK 2,311,080,925).

Future developments

Management expects during the financial year 2025, revenue in the range of DKK 8 million. The projections are based on maintaining the current contracts with customers as well as a sales agreement which has been signed in 2024.

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.

Subsequent events

In June 2024, an error was discovered in the treatment of the voluntary repayment of an amount equal to the dividend including interest at a rate of 3.5% to the Company in the prior year annual accounts. This has been corrected by restating the prior year to account for the transaction taking place in September 2023 and subsequent interest applied (see note 1.7).

MANAGEMENT'S REVIEW - continued

The unrealised foreign exchange loss of translating other receivables has been corrected by restating the prior year (see note 1.7).

Going concern

The statement of financial position shows net current liability of DKK 36 million (2023: net current liability of DKK 186 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 2023 - 31 JANUARY 2024

	Notes	2024 DKK	2023 DKK (Restated)*
Revenue		38,425,476	196,935,942
Other operating income	3	0	3,038,924,731
Other external expenses		(36,406,264)	(246,820,181)
Gross profit/loss		2,019,212	2,989,040,492
Staff expenses	4	0	46,152
Profit/loss before financial income and expenses		2,019,212	2,989,086,644
Income from subsidiaries		0	17,025,661
Write down of financial assets	5	0	(186,414)
Financial income	6	2,848,676	32,557,408
Financial expenses		(1,011,743)	(14,795,694)
Profit/loss before tax		3,856,145	3,023,687,605
Tax on profit/loss for the year	7	(1,589,584)	(712,606,680)
Net profit/loss for the year		2,266,561	2,311,080,925

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

(*) see note 1.7 for further details of the prior year adjustments.

BALANCE SHEET 31 JANUARY 2024

	Notes	2024 DKK	2023 DKK (Restated)*
Assets			
Receivables from group companies		195,801,982	0
Non-current assets		<u>195,801,982</u>	<u>0</u>
Trade receivables		1,161,958	15,222,948
Receivables from group companies		18,354,583	0
Other receivables		65,103	393,445
Receivables		<u>19,581,644</u>	<u>15,616,393</u>
Cash at bank and in hand		<u>88,582</u>	<u>106,701,203</u>
Current assets		<u>19,670,226</u>	<u>122,317,596</u>
Assets		<u>215,472,208</u>	<u>122,317,596</u>
Liabilities and equity			
Share capital	11	3,494,129	3,494,129
Retained earnings		156,522,949	(2,339,179,228)
Proposed dividend for the year		0	2,150,000,000
Equity		<u>160,017,078</u>	<u>(185,685,099)</u>
Trade payables		0	51,785
Payables to group companies		3,620,045	226,975,654
Other payables	12	732,591	2,295,714
Corporation tax	13	48,878,682	44,387,058
Deferred income	14	2,223,812	34,292,484
Short-term debt		<u>55,455,130</u>	<u>308,002,695</u>
Debt		<u>55,455,130</u>	<u>308,002,695</u>
Liabilities and equity		<u>215,472,208</u>	<u>122,317,596</u>
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The above balance sheet should be read in conjunction with the accompanying notes.

(*) see note 1.7 for further details of the prior year adjustments.

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 January 2024

	Share capital	Retained earnings	Dividend	Total
	DKK	DKK	DKK	DKK
Equity at 1 February 2023	3,494,129	103,246,430	2,150,000,000	2,256,740,559
Corrections according to section 52(2) of the Danish Financial Statements Act	0	(2,442,425,658)	0	(2,442,425,658)
Equity at 31 January 2023 - as restated*	3,494,129	(2,339,179,228)	2,150,000,000	(185,685,099)
Net profit/loss for the year	0	2,266,561	0	2,266,561
Group contributions	0	2,493,435,616	0	2,493,435,616
Ordinary dividend paid	0	0	(2,150,000,000)	(2,150,000,000)
Equity at 31 January 2024	3,494,129	156,522,949	0	160,017,078

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

(*) see note 1.7 for further details of the prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The annual report of Peakon ApS for 2024 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 2024 are presented in DKK.

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.

The Company has selected IAS 18 as its interpretation for revenue recognition. Income from the sale of marketing support and professional services is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received.

(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 writedowns 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 include provisions for uncertain tax positions by application of the framework in IFRIC 23 and by using the expected value method, 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.

1.7 Prior year restatement

As stated in the annual report for financial year 2023, it was found in June 2023 that the calculation of the free reserves in connection with the distribution of dividends of DKK 2.4 billion (decided in June 2022) was erroneous and that the distribution exceeded the free reserves in non-compliance with section 182 of the Danish Companies Act. The matter gave rise to management, in cooperation with the Company's lawyer, contacting the Danish Business Authority. In this connection, a meeting was held with the Danish Business Authority on 25 August 2023 to discuss the matter, also with a view to the preparation of the annual report for financial year 2023.

As described in the annual report for financial year 2023, the Company's management was – and is – of the belief that the company's sole shareholder, Workday, Inc. (as well as the Company's management) was in good faith regarding the distribution being compliant with the rules of the Danish Companies Act. With reference to this, it is the opinion of management – and the sole shareholder – that the sole shareholder has not been obligated as per section 194(1) of the Danish Companies Act to repay the dividend received (plus interest), as the sole owner was in good faith and neither realized nor should have realized that the distribution was non-compliant with the Danish Companies Act. Since the adoption of the annual report for financial year 2023 – as part of further reporting to and discussions with the Danish Business Authority – this fact has been further confirmed through supplementary legal investigations and assessments.

Regardless of the fact that there was no obligation to repay the dividends received, the sole shareholder expressed a desire to rectify the matter in connection with the preparation of the annual report for financial year 2023. This was done through a commitment to voluntarily repay the dividends received in the form of a group contribution. The repayment was formalized through a group contribution executed in September 2023 immediately prior to the presentation of the annual report for financial year 2023.

In connection with the preparation of a statement to and discussions with the Danish Business Authority regarding the above, management has realized that the desire to rectify the situation, which was reflected in the annual report for financial year 2023 in the form of recognition in the balance sheet as of 31 January 2023 of a receivable (from the sole shareholder) of DKK 2.4 billion plus interest, approx. DKK 43 million, means that the recognition has taken place prematurely. This is because the commitment to provide the group contribution was given in September 2023, and thus no receivable existed as at the balance sheet date of 31 January 2023.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies - continued

1.7 Prior year restatement - continued

With reference to section 52(2) of the Danish Financial Statements Act (on material errors), the current annual report for financial year 2024 has incorporated a correction of the receivable recognized in the annual report for financial year 2023 on the balance sheet date (31 January 2023), so that the recognized receivable has been reversed by approx. DKK 2,443 million, which has also resulted in a correction of the comparative figures for profit before tax by DKK 43 million (interest), reduction of tax expense by DKK 9 million and total net reduction of equity by DKK 2,434 million.

In addition, management has found an error in exchange rate adjustment in the annual report for financial year 2023, which has also been corrected. This has resulted in a correction of financial expenses, which has increased by DKK 11 million, while the tax expense has been reduced by DKK 2.5 million, reduction of other receivables by DKK 10.6 million, increase of other payables by DKK 0.7 million and net reduction of equity by DKK 9 million.

The total monetary effects of the above which have affected the comparative figures for financial year 2023, including equity at the beginning of the financial year, are shown in the following broken down per financial statement line:

	2023	Adjustment	2023 (Restated)
	DKK	DKK	DKK
Income statement (extract)			
Financial income	75,593,025	(43,035,617)	32,557,408
Financial expenses	(3,439,443)	(11,356,251)	(14,795,694)
Profit/loss before tax	3,078,079,473	(54,391,868)	3,023,687,605
Tax on profit/loss for the year	(724,572,892)	11,966,212	(712,606,680)
Net profit/loss for the year	2,353,506,581	(42,425,656)	2,311,080,925
Balance sheet (extract)			
Receivables from group companies	2,443,035,616	(2,443,035,616)	0
Other receivables	11,009,461	(10,616,016)	393,445
Receivables	2,469,268,025	(2,453,651,632)	15,616,393
Current assets	2,575,969,228	(2,453,651,632)	122,317,596
Assets	2,575,969,228	(2,453,651,632)	122,317,596
Retained earnings	103,246,430	(2,442,425,658)	(2,339,179,228)
Equity	2,256,740,559	(2,442,425,658)	(185,685,099)
Other payables	1,555,478	740,236	2,295,714
Corporation tax	56,353,268	(11,966,210)	44,387,058
Short-term debt	319,228,669	(11,225,974)	308,002,695
Debt	319,228,669	(11,225,974)	308,002,695
Liabilities and equity	2,575,969,228	(2,453,651,632)	122,317,596

NOTES TO THE FINANCIAL STATEMENTS - continued**2 Going concern**

The statement of financial position shows net current liability of DKK 36 million (2023: net current liability of DKK 186 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

	2024 DKK	2023 DKK
Wages and salaries	0	0
Pensions	0	0
Other social security expenses	0	(46,152)
	<u>0</u>	<u>(46,152)</u>
 Average number of employees	 <u>0</u>	 <u>0</u>

The number of employees as of 31 January 2024 is zero as all employees have been transferred to Workday Denmark ApS from April 2021.

5 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 to nil. As at 31 January 2024, the Peakon Ltd liquidation was in progress; all other subsidiaries have been wound down. On 17 April 2024, Peakon Ltd was liquidated.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Financial income

	2024 DKK	2023 DKK (Restated)*
Bank interest income	145,296	47,237
Interest received from group companies	2,703,380	32,510,171
	<u>2,848,676</u>	<u>32,557,408</u>

(*) see note 1.7 for further details of the prior year adjustments.

7 Tax on profit/loss for the year

	2024 DKK	2023 DKK (Restated)*
Current tax for the year	1,292,819	539,387,056
Deferred tax for the year	0	173,060,228
Adjustment of tax concerning previous years	296,765	0
Adjustment of deferred tax concerning previous years	0	50,504
Tax refund	0	(48,650)
Withholding tax	0	157,542
	<u>1,589,584</u>	<u>712,606,680</u>

(*) see note 1.7 for further details of the prior year adjustments.

8 Distribution of profit

	2024 DKK	2023 DKK (Restated)*
Transferred to retained earnings	2,266,561	161,080,925
Proposed for dividends	0	2,150,000,000
	<u>2,266,561</u>	<u>2,311,080,925</u>

(*) see note 1.7 for further details of the prior year adjustments.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Investments in subsidiaries

	2024 DKK	2023 DKK
Cost at 1 February	186,414	186,414
Disposals for the period/year	0	0
Cost at 31 January	<u>186,414</u>	<u>186,414</u>
Impairment losses at 1 February	186,414	0
Impairment losses	0	186,414
Impairment losses at 31 January	<u>186,414</u>	<u>186,414</u>
Carrying amount at 31 January	<u>0</u>	<u>0</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 to nil. As at 31 January 2024, the Peakon Ltd liquidation was in progress; all other subsidiaries have been wound down. On 17 April 2024, Peakon Ltd was liquidated.

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%	0	0

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 2024).

10 Deferred tax asset

	2024 DKK	2023 DKK
Deferred tax asset at 1 February	0	173,110,732
Amounts recognised in the income statement for the year	0	(173,060,228)
Amounts recognised in the income statement for prior years	0	(50,504)
Deferred tax asset at 31 January	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Share capital

The share capital is broken down as follows:

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

The share capital is broken down as follows:

	2024 DKK	2023 DKK	2021/22 DKK	2020 DKK	2019 DKK
Share capital at 1 February	3,494,129	3,494,129	3,317,036	3,317,036	2,717,856
Capital increase	0	0	177,093	0	599,180
Capital decrease	0	0	0	0	0
Share capital at 31 January	<u>3,494,129</u>	<u>3,494,129</u>	<u>3,494,129</u>	<u>3,317,036</u>	<u>3,317,036</u>

12 Other payables

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

	2024 DKK	2023 DKK
Other short-term payables	732,591	2,295,714
	<u>732,591</u>	<u>2,295,714</u>

13 Corporation tax

Corporation tax of DKK 49 million (financial year 2023: DKK 44 million) is linked to a provisional for uncertain tax positions.

The amount is estimated by application of the framework in IFRIC 23 and by using the expected value method.

The provision relates to prior years transaction for intellectual property, where the valuation of intellectual property follows the Acquisition Price Method (APM).

The transaction was carried out at the median value of the APM range - a value that was also supported by a valuation through an Income Approach.

The uncertainty relates to several key input perimeters that were further expanded in the analysis of the tax position, including WACC Discount factor for routine return on distribution and WACC Discount factor routine return on services.

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Corporation tax - continued

With the expanded range of the input perimeters, the company concluded that a higher value of intellectual property could be the more likely than not position that they could reach a settlement with the Danish tax authority, representing an incremental intellectual property value of \$32,945,000. Thus, the tax exposure related to the incremental IP value of \$32,945,000 was recorded in Q1 FY23 as the uncertain tax position.

The uncertain tax provision also includes a tax receivable of DKK 2.5 million corresponding to the tax value of a foreign currency exchange loss, that has not been deducted in the income tax statement.

	2024	2023
	DKK	DKK
Current taxes	0	(4,053,243)
IFRIC 23 related to intellectual property	50,938,676	50,938,676
IFRIC 23 related to foreign currency exchange loss (receivable)	(2,498,375)	(2,498,375)
Interest consideration for expected penalty for underpaid taxes	438,381	0
	<u>48,878,682</u>	<u>44,387,058</u>

14 Deferred income

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

15 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.

16 Related parties

Basis

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Related parties - continued

Sale of services to group companies

Workday, Inc.	TDKK 2 (2023: TDKK 16,168)
Other related parties	TDKK 658 (2023: TDKK 18,065)

Purchase of services

Workday, Inc.	TDKK 0 (2023: TDKK 43,243)
Other related parties	TDKK 35,888 (2023: TDKK 203,732)

Interest received (Note 6)

Workday, Inc.	TDKK 2,703 (2023 (Restated)*: TDKK 32,510)
Other related parties	TDKK 0 (2023: TDKK 0)

Intellectual property transferred to group companies (Note 3)

Workday, Inc.	TDKK 0 (2023: TDKK 3,038,925)
Other related parties	TDKK 0 (2023: 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 (2023 (Restated)*: TDKK 0)
Other related parties	TDKK 18,353 (2023 (Restated)*: TDKK 0)

Payables

Workday, Inc.	TDKK 0 (2023: TDKK 378)
Other related parties	TDKK 3,620 (2023 (Restated)*: TDKK 226,598)

(*) see note 1.7 for further details of the prior year adjustments.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

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