



Lessor Group ApS

Engholm Parkvej 8
3450 Allerød
CVR No. 37545694

Annual report 01.06.2023 - 31.05.2024

The Annual General Meeting adopted the annual
report on 25.11.2024

Peter Tvermoes Meier
Chairman of the General Meeting

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Entity details

Entity

Lessor Group ApS
Engholm Parkvej 8
3450 Allerød

Business Registration No.: 37545694
Registered office: Allerød
Financial year: 01.06.2023 - 31.05.2024

Board of Directors

Robert L Schrader
Elizabeth Patricia Franson

Executive Board

Henrik Basso Reichsthaler Møller

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lessor Group ApS for the financial year 01.06.2023 - 31.05.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.05.2024 and of the results of its operations for the financial year 01.06.2023 - 31.05.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Alleroed, 25.11.2024

Executive Board

Henrik Basso Reichsthaler Møller

Board of Directors

Robert L Schrader

Elizabeth Patricia Franson

Independent auditor's report

To the shareholders of Lessor Group ApS

Opinion

We have audited the financial statements of Lessor Group ApS for the financial year 01.06.2023 - 31.05.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.05.2024 and of the results of its operations for the financial year 01.06.2023 - 31.05.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 25.11.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Buch

State Authorised Public Accountant
Identification No (MNE) mne47793

Management commentary

Primary activities

The Company invests in companies within Human Resources and payroll.

Development in activities and finances

The Company's income statement for 2023/24 shows a profit of DKK 161,539 thousand as against DKK -109,963 thousand in 2022/23. Equity in the Company's balance sheet at 31 May 2024 stood at DKK 488,836 thousand as against DKK 327,297 thousand at 31 May 2022.

The increase in the profit is primarily driven by dividend and is in line with managements expectation.

Uncertainty relating to recognition and measurement

It is managements assesment that there is uncertainty relating to recognition and measurement, on the valuation of the investments in group enterprises. The assessment of investments in group enterprises has been substantiated through the utilization of a discounted cash flow (DCF) model performed by the management team. For further information we refer to Note 1 and Note 9.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023/24

	Notes	2023/24 DKK'000	2022/23 DKK'000
Gross profit/loss		31,633	32,843
Staff costs	2	(27,430)	(30,716)
Depreciation, amortisation and impairment losses	3	(4,223)	(617)
Operating profit/loss		(20)	1,510
Income from investments in group enterprises		160,404	0
Other financial income	4	1,144	381
Impairment losses on financial assets		0	(107,501)
Financial expenses from group enterprises		(3,145)	(3,577)
Other financial expenses		(18)	(240)
Profit/loss before tax		158,365	(109,427)
Tax on profit/loss for the year	5	3,174	(536)
Profit/loss for the year		161,539	(109,963)
Proposed distribution of profit and loss			
Retained earnings		161,539	(109,963)
Proposed distribution of profit and loss		161,539	(109,963)

Balance sheet at 31.05.2024

Assets

	Notes	2023/24 DKK'000	2022/23 DKK'000
Completed development projects	7	16,990	18,843
Intangible assets	6	16,990	18,843
Other fixtures and fittings, tools and equipment		8,581	0
Property, plant and equipment in progress		0	10,547
Property, plant and equipment	8	8,581	10,547
Investments in group enterprises		441,891	441,891
Financial assets	9	441,891	441,891
Fixed assets		467,462	471,281
Receivables from group enterprises		42,133	26,057
Other receivables		162	25
Joint taxation contribution receivable		5,976	5,038
Prepayments		1,549	854
Receivables		49,820	31,974
Cash		2,597	4,378
Current assets		52,417	36,352
Assets		519,879	507,633

Equity and liabilities

	Notes	2023/24 DKK'000	2022/23 DKK'000
Contributed capital		2,411	2,411
Reserve for development expenditure		13,252	14,698
Retained earnings		473,173	310,188
Equity		488,836	327,297
Deferred tax		2,853	5,089
Provisions		2,853	5,089
Other payables		0	2,251
Non-current liabilities other than provisions		0	2,251
Trade payables		3,894	1,179
Payables to group enterprises		11,349	154,090
Other payables	10	11,098	17,141
Deferred income		1,849	586
Current liabilities other than provisions		28,190	172,996
Liabilities other than provisions		28,190	175,247
Equity and liabilities		519,879	507,633
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	11		

Statement of changes in equity for 2023/24

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,411	14,698	310,188	327,297
Transfer to reserves	0	(1,446)	1,446	0
Profit/loss for the year	0	0	161,539	161,539
Equity end of year	2,411	13,252	473,173	488,836

Notes

1 Uncertainty relating to recognition and measurement

It is managements assesment that there is uncertainty relating to recognition and measurement, on the valuation of the investments in group enterprises. The assessment of investments in group enterprises has been substantiated through the utilization of a discounted cash flow (DCF) model performed by the management team. For further information we refer to Note 9.

2 Staff costs

	2023/24	2022/23
	DKK'000	DKK'000
Wages and salaries	25,310	29,005
Pension costs	1,990	1,573
Other social security costs	130	138
	27,430	30,716
Average number of full-time employees	23	19

3 Depreciation, amortisation and impairment losses

	2023/24	2022/23
	DKK'000	DKK'000
Amortisation of intangible assets	2,257	617
Depreciation of property, plant and equipment	1,966	0
	4,223	617

4 Other financial income

	2023/24	2022/23
	DKK'000	DKK'000
Financial income from group enterprises	1,114	381
Other interest income	30	0
	1,144	381

5 Tax on profit/loss for the year

	2023/24	2022/23
	DKK'000	DKK'000
Change in deferred tax	(2,236)	4,605
Adjustment concerning previous years	0	969
Refund in joint taxation arrangement	(938)	(5,038)
	(3,174)	536

Refund in joint taxation arrangment corresponds with tax on profit for the year.

6 Intangible assets

	Completed development projects DKK'000
Cost beginning of year	19,460
Additions	404
Cost end of year	19,864
Amortisation and impairment losses beginning of year	(617)
Amortisation for the year	(2,257)
Amortisation and impairment losses end of year	(2,874)
Carrying amount end of year	16,990

7 Development projects

Development projects relate to the development of software. Costs for ongoing development projects are included at cost. The value of ongoing development projects is expected to be at least equal to the book value, based on expectations of future earnings resulting from the development project. There is uncertainty associated with these expectations, as the value of the development project depends on continued customer growth in the subsidiaries.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	0	10,547
Transfers	10,547	(10,547)
Cost end of year	10,547	0
Depreciation for the year	(1,966)	0
Depreciation and impairment losses end of year	(1,966)	0
Carrying amount end of year	8,581	0

9 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	616,247
Cost end of year	616,247
Impairment losses beginning of year	(174,356)
Impairment losses end of year	(174,356)
Carrying amount end of year	441,891

The assessment of investments in group enterprises has been substantiated through the utilization of a discounted cash flow (DCF) model performed by the management team. The central assumptions underpinning this valuation exercise are as follows:

- Activity Levels: It is forecasted that activity levels will experience a yearly growth ranging from 10%-15% over the period from 2025 to 2030. The projections are founded on an increased focus directed towards the recently developed products and systems marketed by the subsidiaries.
- Discount Rate (WACC): The discount rate applied for this assessment falls within the spectrum of 11.8%-12.8%.
- Growth Rate: A terminal growth rate of 2% has been incorporated into the valuation.

The impairment is sensitive to changes in the underlying assumptions, especially the discount rate applied. A shift in the discount rate by 1%-point, whether upward or downward, would result in a corresponding adjustment of the recognized impairment amount, approximately in the range of DKK 24 million to DKK 26 million (either an impairment or an increase in the headroom).

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Lessor A/S	Allerød	A/S	100.00	13,279	6,416
Danske Lønsystemer A/S	Allerød	A/S	100.00	47,615	33,029
Emply ApS	Glostrup	ApS	100.00	(20,158)	(13,287)
Ilohngehalt Internetservices GmbH*	Germany	GmbH	100.00	(14,534)	(448)
Norlønn AS	Norway	AS	100.00	0	0
Hispanomina S.L.	Spain	S.L.	100.00	(210)	0

*Ongoing liquidation, value as of November 30th 2023.

10 Other payables

	2023/24	2022/23
	DKK'000	DKK'000
VAT and duties	(1,273)	2,623
Wages and salaries, personal income taxes, social security costs, etc. payable	12,371	14,520
Other costs payable	0	(2)
	11,098	17,141

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity has issued a letter of support to Emplay ApS by which the Parent is irrevocably obligated to support Emplay ApS in fulfilling their obligations until 31 May 2025.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses. Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation 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 year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Development projects**

Development projects comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate

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

The cost of development projects comprises costs that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation period is usually 5-10 years.

Development projects are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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:

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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.