



Lessor Group ApS

Engholm Parkvej 8
3450 Allerød
CVR No. 37545694

Annual report 01.06.2022 - 31.05.2023

The Annual General Meeting adopted the annual
report on 29.11.2023

Peter Tvermoes Meier
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022/23	8
Balance sheet at 31.05.2023	9
Statement of changes in equity for 2022/23	11
Notes	12
Accounting policies	16

Entity details

Entity

Lessor Group ApS
Engholm Parkvej 8
3450 Allerød

Business Registration No.: 37545694
Registered office: Allerød
Financial year: 01.06.2022 - 31.05.2023

Board of Directors

Efrain Rivera
Stephanie Lynn Schaeffer
John Bradley Gibson JR

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 01.06.2022 - 31.05.2023.

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 31.05.2023 and of the results of its operations for the financial year 01.06.2022 - 31.05.2023.

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, 29.11.2023

Executive Board

Henrik Basso Reichsthaler Møller

Board of Directors

Efrain Rivera

Stephanie Lynn Schaeffer

John Bradley Gibson JR

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 01.06.2022 - 31.05.2023, 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 31.05.2023 and of the results of its operations for the financial year 01.06.2022 - 31.05.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 under the Danish Financial Statements Act.

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, 29.11.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Sanderhage

State Authorised Public Accountant
Identification No (MNE) mne23347

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 2022/23 shows a profit of DKK -109,963 thousand as against DKK -49,043 thousand in 2021/22. Equity in the Company's balance sheet at 31 May 2023 stood at DKK 327,297 thousand as against DKK 422,234 thousand at 31 May 2022.

The development is further impacted by changes made to our accounting policies regarding investments in group enterprises. Our investments in group enterprise are now recognized at cost with write down to the lower of recoverable amount and carrying amount, for more detail see Accounting Policies. This results in a total loss on financial assets of DKK 107,501 thousands in the current financial year against DKK 64,074 thousands previous year. In 2021/22 our gross profit had a positive one-off effect of DKK 22,546 thousands.

We have completed development projects in the financial year of 2022/23, and started depreciation.

Special risks

The Company is not exposed to any special risks.

Outlook

The Company expects activity growth on a group level. We are estimating a positive EBITDA of DKK 1,000 thousand as well as a profit/loss between DKK 100,000 thousands and DKK 150,000 thousands.

Knowledge resources

It is important that the Company has the necessary intellectual capital resources. Importance is placed by management on attracting, developing and maintaining qualified employees.

Environmental performance

The Company's products do not have a negative environmental impact.

Research and development activities

During the financial year, the Company conducted development activities for existing and new products. Costs associated with development activities are recognised directly in the income statement and expensed.

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 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Gross profit/loss		32,843	54,217
Staff costs	2	(30,716)	(29,884)
Depreciation, amortisation and impairment losses	3	(617)	0
Operating profit/loss		1,510	24,333
Other financial income	4	381	19
Impairment losses on financial assets		(107,501)	(64,074)
Financial expenses from group enterprises		(3,577)	0
Other financial expenses		(240)	(97)
Profit/loss before tax		(109,427)	(39,819)
Tax on profit/loss for the year	5	(536)	(9,224)
Profit/loss for the year		(109,963)	(49,043)
Proposed distribution of profit and loss			
Retained earnings		(109,963)	(49,043)
Proposed distribution of profit and loss		(109,963)	(49,043)

Balance sheet at 31.05.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	7	18,843	0
Development projects in progress	7	0	18,325
Intangible assets	6	18,843	18,325
Property, plant and equipment in progress		10,547	8,805
Property, plant and equipment	8	10,547	8,805
Investments in group enterprises		441,891	549,392
Financial assets	9	441,891	549,392
Fixed assets		471,281	576,522
Receivables from group enterprises		26,057	15,114
Deferred tax		0	484
Other receivables		25	75
Joint taxation contribution receivable		5,038	0
Prepayments		854	235
Receivables		31,974	15,908
Cash		4,378	3,137
Current assets		36,352	19,045
Assets		507,633	595,567

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		2,411	2,411
Reserve for development expenditure		14,698	14,293
Retained earnings		310,188	405,530
Equity		327,297	422,234
Deferred tax		5,089	0
Provisions		5,089	0
Other payables		2,251	4,875
Non-current liabilities other than provisions	10	2,251	4,875
Trade payables		1,179	3,710
Payables to group enterprises		154,090	148,957
Other payables	11	17,141	15,791
Deferred income		586	0
Current liabilities other than provisions		172,996	168,458
Liabilities other than provisions		175,247	173,333
Equity and liabilities		507,633	595,567
Going concern	1		
Contingent liabilities	12		

Statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,411	14,293	405,530	422,234
Group contributions etc.	0	0	15,026	15,026
Transfer to reserves	0	405	(405)	0
Profit/loss for the year	0	0	(109,963)	(109,963)
Equity end of year	2,411	14,698	310,188	327,297

Notes

1 Going concern

The company has in 2023 received a letter of support from its subsidiary Danske Lønssystemer A/S in Denmark.

The Board of Directors assess, based on the letter of support, that Danske Lønssystemer A/S will support Lessor Group ApS, with sufficient liquid funds to enable Lessor Group ApS to fulfill its obligations at any time until end October 2024. This obligation will be waived as soon as Danske Lønssystemer distributes dividends of DKK 160 mio. to Lessor Group.

2 Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	29,005	26,161
Pension costs	1,573	3,648
Other social security costs	138	75
	30,716	29,884
Average number of full-time employees	19	18

3 Depreciation, amortisation and impairment losses

	2022/23	2021/22
	DKK'000	DKK'000
Amortisation of intangible assets	617	0
	617	0

4 Other financial income

	2022/23	2021/22
	DKK'000	DKK'000
Financial income from group enterprises	381	19
	381	19

5 Tax on profit/loss for the year

	2022/23	2021/22
	DKK'000	DKK'000
Current tax	0	6,905
Change in deferred tax	4,605	2,319
Adjustment concerning previous years	969	0
Refund in joint taxation arrangement	(5,038)	0
	536	9,224

6 Intangible assets

	Completed development projects DKK'000	Development projects in progress DKK'000
Cost beginning of year	0	18,325
Transfers	19,460	(19,460)
Additions	0	1,135
Cost end of year	19,460	0
Amortisation for the year	(617)	0
Amortisation and impairment losses end of year	(617)	0
Carrying amount end of year	18,843	0

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 company.

8 Property, plant and equipment

	Property, plant and equipment in progress DKK'000
Cost beginning of year	8,805
Additions	1,742
Cost end of year	10,547
Carrying amount end of year	10,547

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	(66,855)
Impairment losses for the year	(107,501)
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 growth ranging from 10%-30% over the period from 2024 to 2028. 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%-14.4%.
- Growth Rate: A terminal growth rate of 2% has been incorporated into the valuation.

Based on these projections, Management has concluded that the recognition of an impairment loss amounting to DKK 108 million is appropriate.

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 22 million to DKK 24 million (either a decrease or increase in the impairment).

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Lessor A/S	Allerød	A/S	100.00	6,863	4,278
Danske Lønsystemer A/S	Allerød	A/S	100.00	174,586	30,808
Empty ApS	Glostrup	ApS	100.00	(6,871)	(5,331)
Ilohgehalt Internetservices GmbH	Germany	GmbH	100.00	(14,069)	(2,246)
Norlønn AS	Norway	AS	100.00	0	0
Swelønn AB	Sweden	AB	100.00	265	0
Hispanomina S.L.	Spain	S.L.	100.00	(210)	0

10 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK'000
Other payables	2,251
	2,251

11 Other payables

	2022/23	2021/22
	DKK'000	DKK'000
VAT and duties	2,622	2,197
Wages and salaries, personal income taxes, social security costs, etc. payable	14,520	13,419
Other costs payable	(1)	175
	17,141	15,791

12 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 its subsidiary Emply ApS.

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.

Changes in accounting policies

The Entity has changed its accounting policy with regard to Investments in group enterprises from measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealized intragroup gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method to in the 2022/23 annual report measured at cost with write down to the lower of recoverable amount and carrying amount.

The adjustments to comparative financials was clearly insignificant and as such the change in accounting policy has not affected the comparative figures. Relevant notes have been restated following the change in accounting policy.

Apart from the area mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

A few reclassifications have been made in the balance sheet numbers for the financial year 2022/23 with no effect on profit/loss and equity.

Consolidated financial statements

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

Material errors in previous years

In the financial year 2022/2023, the management have identified material errors in the annual reports for previous years related to the presentation of elements in equity related to not presenting a reserve for development expenditure. Thus, this has not led to any change in total equity, profit/loss or the total balance. The restatement has been adjusted in the comparatives, and the opening equity as follows:

- Retained earnings is decreased by DKK 14.293 thousand
- Reserve for development expenditure is increased by DKK 14.293 thousand

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.

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.

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 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.

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.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

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.

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.