



Scalepoint Technologies Holding A/S

Aldersrogade 8, 2100 Copenhagen
Company reg. no 38 25 02 48

Annual report

1 January - 31 December 2022

The annual report has been submitted and approved by the general meeting on 25 May 2023

Henrik Løbger

Chairman of the meeting

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The company	Scalepoint Technologies Holding A/S 2100 Copenhagen
Company reg. no.	38 25 02 48
Financial year	1 January - 31 December
Board of Directors	Peter Heering, chairman Ulrik Trolle Hans Otto Engkilde Lene Sjøe Weldum
Executive Management	Tue Høilund-Carlsen
Independent auditor	Grant Thornton, State Authorised Public Accountants Stockholmsgade 45 2100 Copenhagen
Consolidation	The entities below are included in the 2022 Group Financial Statements: <ul style="list-style-type: none">- Scalepoint Technologies Denmark A/S, Denmark- Scalepoint Technologies Sweden AB, Sweden- Scalepoint Technologies Norway AS, Norway- Scalepoint Technologies Ltd., United Kingdom- Scalepoint Technologies Germany GmbH, Germany- Scalepoint Technologies Switzerland Sàrl, Switzerland- Scalepoint Technologies GmbH, Austria- Scalepoint Solutions S.L.U., Spain

Statement by the Board of Directors and the Executive Management on the annual report

The board of directors and the executive management have today considered and approved the annual report of Scalepoint Technologies Holding A/S for the financial year 1 January 2022 - 31 December 2022.

The consolidated financial statements and the parent financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the accounting policies applied are appropriate, thus ensuring that the consolidated financial statements and the financial statements provide a fair presentation of the group's and the parent company's assets, liabilities and financial position as at 31 December 2022 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 1 January 2022 - 31 December 2022.

We believe that the management's review contains a true and fair review of the development and performance of the group's and the parent company's business activities and financial position, the earnings for the year and the financial position of the parent company and the financial position as a whole of the entities comprised by the consolidated financial statements, together with a description of the principal risks and uncertainties that the group and the parent company faces.

The annual report is submitted for adoption by the general meeting.

Copenhagen, 8 May 2023

Executive Management

Tue Høilund-Carlsen

Board of Directors

Peter Heering
Chairman

Ulrik Trolle

Hans Otto Engkilde

Lene Sjøe Weldum

Financial Highlights

Development in activities and financial matters

The financial performance in 2022 is generally considered satisfactory. During 2022, the Group's revenue increased with 10,2% from DKK 510 million (2021) to DKK 562 million, which was higher than the anticipated 6% growth.

The Group's total cost base increased with 9,2% from DKK 523 million (2021) to DKK 571 million. The cost base contains larger investments in R&D including security and compliance, and implementation costs related to onboarding of new customers in 2022.

In line with expectations, the Group's net profit from operations improved significantly compared with the net loss of DKK 11,6 million in 2021. For the year 2022, net profit from operations amounted to DKK 2,6 million before extraordinary cost of DKK 15 million related to Project Premium – a structured program to raise EUR 20 million external capital for expanding in to selected international insurance markets. This effort, however, did not materialize due to an unforeseen change of market conditions. Including the Project Premium program cost, the net loss of 2022 amounts to DKK 12,4 million.

During 2022, the amortization period of specific intangible development assets were prolonged from three to five years according to the accounting principles and due to management's assessment of expected lifetime value of the intangible assets with a net effect of DKK 16 million in the income statement 2022.

Administration expenses has increased by DKK 29,6 million compared to 2021. With reference to the accounting policies the management has reassessed the presentation split of the income statement presented by function which has an effect of DKK 11,4 million. The remaining increase is related to extraordinary expenses related to Project Premium as described above while the residual increase of DKK 3,6 million is related to actual increases in the administrative expenses.

With the attempted internationalization program on hold until further notice, the focus of Scalepoint in the coming years will remain to improve the existing business and to further bolstering the Group's cash and equity positions from operations.

Expectations for the coming year 2023

In our view, Scalepoint is well-positioned for a positive trajectory in years to come. With a strict focus on "Helping insurers help their customers" in existing markets, we attempt to further strengthen solutions and services vis-à-vis our customers including state-of-the-art security, personal data protection and product upgrades. It is critical to continue our open and constructive engagement with our trusted business partners to jointly improve Scalepoint's customer-centric digital and increasingly automated offerings.

In 2023, new sales, updated terms of trade combined with focus on increasing efficiency are projected to contribute to the Group's healthy revenue growth and profitability. We forecast a Cash EBITDA of DKK 22 million including CAPEX security investments and product upgrades of app. DKK 28million, hence returning the Group to a healthy financial position. Management will be closely monitoring the realization of the expected value.

Events subsequent to the financial year

No significant events have occurred subsequent to the financial year.

Consolidated financial highlights

Figures in DKK '000	2022	2021	2020	2019	2018
<i>Income statement</i>					
Revenue	562.507	510.341	506.275	543.148	575.981
EBITDA	22.589	39.782	33.235	43.158	41.595
Operating profit (EBIT)	-7.799	-13.076	-10.815	11.398	14.919
Financial items, net	-1.928	-2.197	-1.195	-1.520	-1.179
Profit for the year	-12.378	-11.566	-8.492	7.845	10.806
<i>Balance</i>					
Equity	2.286	14.559	26.123	34.593	30.201
Intangible assets	74.388	76.066	91.689	81.676	59.438
Tangible assets *	12.656	15.277	18.031	2.738	2.161
Total assets	584.807	532.225	483.804	500.964	501.664
<i>Cash flow</i>					
Cash flow from operating activities	12.413	-38.980	22.862	29.747	59.220
Cash flow from investing activities	-26.076	-34.472	-69.356	-54.581	-43.883
Cash flow from financing activities	-1.821	-1.780	14.826	-1.736	-6.078
Investment in intangible assets	-25.417	-33.706	-51.176	-51.256	-42.539
Ratios					
EBIT margin	-1%	-3%	-2%	2%	3%
Return on equity	-37%	-14%	-28%	24%	38%
Solvency ratio	0%	3%	5%	7%	6%

* 2022, 2021, 2020 and 2019 include right-of-use assets

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

EBIT margin	$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$
Return on equity	$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$

Business Model

The principal activity of the Group is to offer digital solutions, which help insurance companies help their customers by processing and resolving notified claims. The Group's collective offering consists of three overall digital solutions delivered as SaaS:

- Scalepoint ClaimShop – settlement and web shop for content claims incl. business services.
- Scalepoint HUB – comprehensive solution with ecosystem tailored to motor, property and health, connecting all parties in the damage repair process.
- Scalepoint CORE – a complete standard core claim system that is preconfigured with advanced functionality, rules engine and country layers.

Scalepoint ClaimShop is a valuation and settlement tool that enables a simple, fast and fully automated process for content claims while lowering the total claim costs for the insurance company. ClaimShop also includes a web shop where end-customers can choose between having their claim compensation paid out in cash, get damaged items repaired and/or repurchase goods with attractive discounts. The solutions include various business services to support delivery of goods through a web shop.

Scalepoint HUB is built as an extension to an existing claim system and handles repair of damage from A to Z. It connects all parties in the damage repair process via a portal and includes a comprehensive ecosystem tailored to motor, property and health, with built-in supplier management. The solution provides access to an established network of suppliers, including car repair shops, craftsmen and healthcare professionals. Automatic validation and price control are performed along the way.

Scalepoint CORE is a complete digital claims system that handles claims management from start to finish for all types of claims, supporting both external customer-facing and internal administrative processes. The solution is ready to use as it comes preconfigured with optimized functionality and country layers. CORE is delivered as a total SaaS solution including software, operation and maintenance that meets compliance and data security requirements.

Risk Management

In the daily operation, the Group is exposed to several risks due to a continually changing business environment and strategic adjustments of our business. The Board of Directors and management consider it essential that risks are monitored and managed on an ongoing basis. The Group's key risks are described below.

GDPR

By nature of the business, the Group remains exposed to GDPR risks, since we as a data processor process personal data of a significant number of data subjects in our solutions. The Group has it as a strategic priority to ensure high data security and compliance standards, which means we will continue to invest substantially in managing and minimizing those risks. During 2022 we have continued maturing our privacy risk and control framework and carried out an ISAE 3000 audit statement with no remarks.

We consider a strong GDPR culture a high priority and we ensure this through a consistent tone from the top, incorporation of strong practices, and mandatory training of all our employees on a frequent basis.

Know-how resources

Know-how is a key resource for the Group and essential for achieving innovative and operational excellence. It is decisive that the Group recruit and retain highly educated and knowledgeable employees. The Group will therefore continue to make substantial investments in recruitment with the aim of adding relevant knowledge and capabilities to our team while also training and developing our existing employees.

In 2022 the Group invested DKK 25.4 million in the product portfolio including significant security investments. The majority of the investments are amortised over five years representing the assessed useful lives.

During the last 5 years, Scalepoint has invested heavily in the solutions to the market including the development of the Scalepoint Core solution. In the years to come, we expect to invest in security and improvements to the existing solutions, however, we expect the investment level is to normalize at a lower level.

Foreign currency risk

The Group does not actively engage in trading of financial assets and financial derivatives. The Group is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Group has minimised its risk by only purchasing developer hours in EUR. The management considers the current currency risks limited.

Credit risk

Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Liquidity risk

The Group liquidity risks covers the risk that the Group is not able to meet its liabilities as they fall due.

The previous year's significant product investments and lower historically price level has resulted in a reduction of the Group's earnings and consequently liquidity. The group has a significant cash position primarily due to Scalepoint's existing business model. The majority of the cash, however, remains restricted and directly related to claims debt. At the end of 2022, the Group has available cash of DKK 49 million of which 29 million relates to the home content claims cash flow.

In 2022, Scalepoint's working capital liquidity exposure amounts to DKK 75 million. Updated financial projections, however, imply that Scalepoint's liquidity exposure will be zeroed out during the period 2023-2025, partly due to renewed contract terms, partly due to the Group's profit and liquidity performance improvement. It is the aspiration to further consolidate Scalepoint's liquidity in the years to come – an aspiration closely monitored by the board and management.

Consequently, the management considers the current liquidity risk limited.

Interest rate risk

The Group is only exposed to interest rate risks in relation to managing surplus liquidity, as the Group does not have any financial loans. The increasing interest rates have a positive effect on the financials of the Group.

IT and Security risk

The Group remains exposed to technology risks such as cyber-attacks, system disruptions and system failure. To minimize and manage those risks, the Group has implemented the recommendations from the international standard "Information technology - Security techniques - Code of practice for information security controls" - ISO 27002. Compliance with this international standard will be documented and commented on in our annual ISAE-3402 and ISAE-3000 audit reports. We also procure annual penetration tests carried out by external security consultants. Furthermore, the Group has signed a cyber risk insurance policy.

Corporate Social Responsibility - §99a of the Danish Financial Statements Act.

Once a year the Group conducts a sustainability survey by EcoVadis to benchmark our CSR efforts against industry standards. Our corporate CSR policy supports the principles set out in those codes and standards below:

- UN Declaration of Human Rights.
- UN Rio Declaration on Environment & Development.
- UN Convention against Corruption.
- Guidelines for Multinational Enterprises established by OECD.
- International Labor Organization (ILO) Declaration of Fundamental Principles and Rights of Work.

Climate and environmental impact

Policy and risks

The Group strives to minimize possible negative climate and environmental impacts. As an IT development Group, key climate and environmental factors affected by our business are electricity, heat-related energy, and travel.

Actions and results

We are continuously working on improving our environmental footprint by increasing our efforts within waste management such as recycling paper, recycling toners, ink cartridges and IT equipment. Instead of destroying old IT equipment, we sell it to 3rd party and frequently conduct internal auctions on old IT equipment. Unsold equipment will be disposed in an environmentally friendly way by an external partner. Another focus of the IT department is extending the asset life of PCs.

Employee relations and human rights

Policy and risks

For the Group it is important that both our own employees and suppliers' employees work under proper conditions. We support and respect internationally recognized human rights principles as formulated in the UN's Universal Declaration of Human Rights and the internationally recognized labour rights principles as specified in the International Labour Organization's core conventions.

Risks related to employee relationships and social conditions are primarily within indoor climate, physical and ergonomic working conditions and the employees' mental health.

Risks of violating human rights are primarily related to working conditions among our suppliers.

Actions and results

We have introduced a “working from home” policy to provide flexibility for employees in carrying out their job and to cater for a better work/life balance. Our AMO (internal board on work environment) carries out an annual review and action plan to improve the physical and psychological work environment. Actions have been taken regarding fire and emergency plans, indoor office climate & acoustics and first aid courses. Scalepoint has ambition to secure the proportion of women in leading positions at minimum 25% by 2025. We have reached a major milestone by year end 2022 with 56% female leaders in the middle management and 36% amongst our Directors. In 2022 we conducted an Employee Feedback survey to identify areas of improvement.

Anti-corruption and business ethics

Policy and risks

The Group commits to maintain a high degree of business ethics in all the markets where it operates, which also includes the fight against corruption in all its forms. The primary risks of corruption and unethical business behaviour are related to our supplier function. This is mainly due to the fact that this function requires close contact with the suppliers.

Actions and results

To ensure that all employees work on the basis of the Group’s values and guidelines related to anti-corruption, the Group has prepared Good Business Practice and Money Laundering Business Procedures for the employees. Further, the Group has a whistle blower policy, which is intended to enable reporting on suspected irregularities in the business. Additionally, employees do not give or receive payments, gifts or other forms of reimbursement from third parties that may affect or raise doubts about the impartiality of business decisions. In addition, we have robust governance in place for supplier code of conduct and have obtained external certifications related to business ethics issues via ISAE 3402 Audit report in 2022.

For more information about our work with Corporate Social Responsibility, please visit our website, www.scalepoint.com, where you can also learn how we work with the UN 17 Sustainable Development Goals.

Diversity targets and plans for the underrepresented gender - §99b of the Danish Financial Statements Act.

The Group aims to promote diversity and to have representation of both genders at management as well as board level. It is the Group’s firm belief that diversity in all aspects makes us as an organisation only stronger, better and more creative – living our Group values – the only path for Scalepoint to meet our aspirations.

The Board of Directors have set an aspiration to have 20-40% female representation by 2025. At the end of 2022, The Board of Directors comprised of 75% men (2021: 80%) and 25% women (2021: 20%).

The Group's target for the gender distribution at management level is to secure a proportion of female managers in 2025 of minimum 25%. This will be on par with the average proportion of female employees in IT companies in Denmark. At the end of 2022, female managers comprised of 37% of total managers (2021: 26%). Hence, we have succeeded to outperform our target years before time.

We have we done the following to reach our ambitions:

- We require that our search partners present both female and male qualified candidates to our open positions.
- We require that our internal talent acquisition presents both female and male qualified candidates whenever possible.
- We use our Service Desk as a recruiting vehicle for female employees and leaders.
- We actively support female employees with aspirations for management positions.

Data ethics

Data integrity is very important to Scalepoint, our customers and partners. To us it is more than legal compliance – It's about a Scalepoint culture where ethics, integrity and consistency define who we are. We have as a Group committed to this in our Policies, and our management annually review our approach to data ethics. Each year we will re-iterate confidentiality obligations to our employees through e.g. mandatory e-learning. All employees in Scalepoint have received training in how personal data must be managed.

To the shareholders of Scalepoint Technologies Holding A/S

Our opinion

In our opinion, the Consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the parent company's financial statements give a true and fair view of the parent company's financial position at 31 December 2022 and of the results of the parent company's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". 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.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statement, Management is responsible for assessing the Group's and the parent 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 unless Management either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated annual accounts and the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgment 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 Group's and 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the financial statements, including the disclosures, and whether the consolidated financial statements and the financial statements represent the underlying transactions and events in a manner that achieves a fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Management's Review.

Our opinion on the consolidated financial statements and 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 consolidated financial statements and the financial statements, it is our responsibility to read Management's Review and to consider whether Management's Review is materially inconsistent with the consolidated financial statements and the financial statements or the evidence obtained in the audit, or otherwise appears to contain material misstatement.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated financial statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 8 May 2023

Grant Thornton

State Authorised Public Accountants

CVR-No. 34 20 99 36

Michael Winther Rasmussen
State Authorised Public Accountant
MNE-no. 28708

Jacob Helly Juell-Hansen
State Authorised Public Accountant
MNE-no. 36169

Consolidated income statement and statement of comprehensive income

Note	2022 DKK '000	2021 DKK '000
Consolidated income statement		
2	562.507	510.341
	(489.714)	(449.098)
	72.793	61.243
	(14.574)	(37.275)
	(7.730)	(8.297)
	(58.288)	(28.747)
	(7.799)	(13.076)
4	1.728	366
5	(3.656)	(2.563)
	(9.727)	(15.273)
6	(2.651)	3.707
	(12.378)	(11.566)
Statement of comprehensive income		
	(12.378)	(11.566)
	0	(176)
	105	178
	0	0
	(12.273)	(11.564)

Consolidated statement of financial position

Note	31-12-2022 DKK '000	31-12-2021 DKK '000
ASSETS		
Non-current assets		
7	41.450	16.033
7	20.729	41.046
7	12.209	18.987
8	12.656	15.277
9	5.825	5.705
6	1.458	3.381
	94.327	100.430
Current assets		
10	273.630	199.247
10	42	42
6	133	1.863
10	149	176
10	1.545	0
11	214.981	230.467
	490.480	431.795
	584.807	532.225
EQUITY AND LIABILITIES		
Equity		
	502	502
	1.784	14.057
12	2.286	14.559
Non-current liabilities		
8	10.212	12.109
	10.212	12.109
Current liabilities		
13	29	31
13	45.858	41.298
7	0	0
8	1.897	1.821
15	524.526	462.407
	572.309	505.557
	584.807	532.225

Consolidated statement of changes in equity

DKK '000	Share capital	Retained earnings	Total equity
2022			
Equity at 01-01-2022	502	14.057	14.559
Net profit for the year	0	(12.378)	(12.378)
Other comprehensive income	0	105	105
Comprehensive income	0	(12.273)	(12.273)
Equity at 31-12-2022	502	1.784	2.286

DKK '000	Share capital	Retained earnings	Total equity
2021			
Equity at 01-01-2021	502	25.621	26.123
Net profit for the year	0	(11.566)	(11.566)
Other comprehensive income	0	2	2
Comprehensive income	0	(11.564)	(11.564)
Equity at 31-12-2021	502	14.057	14.559

Consolidated cash flow statement

	31-12-2022	31-12-2021
	DKK '000	DKK '000
Profit/loss before tax	(9.727)	(15.273)
Adjustment of non-cash transactions:		
Depreciation and amortisation	30.388	52.858
Financial income	(1.728)	(366)
Financial expenses	3.656	2.563
Change in working capital:		
Receivables and prepaid expenses	(76.021)	(143.101)
Trade payables	4.560	(941)
Other liabilities	62.119	62.973
Other non-cash items	(584)	97
Net cash from operating activities before net financials	12.662	(41.189)
Financial income received	1.728	366
Financial expenses paid	(3.656)	(2.563)
Tax paid prior year	0	1.391
Tax paid current year	1.679	3.015
Net cash from operating activities	12.413	(38.980)
Purchase of property, plant and equipment	(659)	(766)
Purchase of development projects	(25.417)	(33.706)
Net cash from investing activities	(26.076)	(34.472)
Lease liabilities	(1.821)	(1.780)
Net cash used in financing activities	(1.821)	(1.780)
Total cash flows for the year	(15.484)	(75.232)
Cash beginning of the year	230.436	305.668
Cash end of year	214.952	230.436
Cash end of year, comprises:		
Cash	214.981	230.467
Short-term payables to credit institutions	(29)	(31)
Total	214.952	230.436

Overview of notes to the consolidated financial statements

1. Accounting policies
2. Revenue
3. Employee remuneration
4. Financial income
5. Financial expenses
6. Tax
7. Intangible assets
8. Property, plant, equipment, and lease liabilities
9. Financial assets and liabilities
10. Trade and other receivables
11. Cash and cash equivalents
12. Equity
13. Trade payables
14. Other liabilities
15. Contingent liabilities
16. Capital commitments
17. Financial risks and financial instruments
18. Related parties
19. Events occurring after the balance sheet date
20. New accounting standards

1. Accounting policies

General information and statement of compliance with IFRS

Scalepoint Technologies Holding A/S, the Group's parent company, is a limited company incorporated and domiciled in Denmark. The consolidated financial statements of the Group and of the parent company for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and additional Danish disclosure requirements.

Danish Kroner (DKK) is the group's presentation currency and the functional currency of the group. The financial statements are presented in Danish Kroner (DKK) rounded off to the nearest DKK 1.000.

The financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments.

Management has reassessed the estimate related to the economic lifetime of intangible assets. The previous estimate was 2-5 years. Management assess it is more true and fair to amortize development projects and software over 5 years.

The reassessed estimate has an impact to net result before tax of tDKK 16.013.

Management has reassessed the method for presentation using the income statement by function. Management assesses this will give a more true and fair view of the operations of the company.

The reassessment has no effect to the net result, but has the following effect to the presentation

- Cost of sales DKK -9,9 million
- Research and development costs DKK -1,5 million
- Administrative expenses DKK +11,4 million

Basis of consolidation

The Group financial statements consolidates the parent company and all of its subsidiaries as of 31 December 2022. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group enterprises are eliminated on consolidation, including unrealised gains and losses on transactions. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange

1. Accounting policies - continued

Foreign currency translation - continued

Foreign currency transactions and balances - continued

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the DKK are translated into DKK upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into DKK at the closing rate at the reporting date. Income and expenses have been translated into DKK at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

PROFIT AND LOSS

Revenue

Revenue is measured at the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts. Revenue arises from rendering of services which comprises insurance claim handling on behalf of insurance companies. The claim handling is operated through the Group's own developed software application systems.

The revenue is based on fees from subscription agreements with insurance companies and services relating to replacement of goods. Revenue consists of fixed and variable fees based on the number of claims handled in the year. The revenue is recognised when delivery of the service have been provided.

As a part of the claim handling service to the insurance companies, the Group also provide service solutions for the insurance policyholder, for whom the Group have handled a claim, i.e. providing replacement goods or gift vouchers through a webshop. The replacement goods are delivered via an extensive network of suppliers, which the Group have built. The revenue from replacement goods and gift vouchers are recognised once delivery have taken place.

Costs of sales

Cost of sales cover costs incurred to generate the revenue for the year. These primarily comprise costs of goods and gift vouchers, wages and salaries, third party costs, and indirect costs such as hosting and technological infrastructure, depreciation and amortization, and support.

Research and development costs

Research and development costs comprise wages and salaries, external consultants, depreciation and amortization, and other costs directly or indirectly attributable to the Group's research and development activities.

1. Accounting policies - continued

Research and development costs - continued

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Sales and marketing costs

Sales and marketing costs comprise wages and salaries, bonuses, and other sales employee related costs, travel and meeting expenses, marketing expenses, and costs to technological infrastructure directly or indirectly attributable to the Group's sales and marketing activities.

Administrative expenses

Administrative expenses comprise wages and salaries, other employee costs and expenses, external consultants, office premises, depreciation, and costs to technological infrastructure directly or indirectly attributable to the Group's administrative activities.

Financial income, expenses, and dividends

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities.

Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

BALANCE SHEET

Intangible assets

Recognition of software and development projects

Software and development projects are capitalised on the basis of the costs incurred to acquire and prepare the specific software or development projects for usage.

Subsequent measurement

All intangible assets, including capitalised internally developed software application systems, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described. The following useful lives are applied:

- Software application systems: 5 years
- Development projects: 5 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing as described.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Amortisation has mainly been included within Cost of sales and Research and development.

1. Accounting policies - continued

Property, Plant and Equipment

IT equipment and other equipment

IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. IT equipment and other equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment and other equipment. The following useful lives are applied:

- IT equipment: 2-5 years
- Other equipment: 3-5 years.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Right-of-use assets

The Group leases offices and vehicles. Rental contracts are typically made for fixed periods of 3 to 10 years, but may have extension options as described further below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

1. Accounting policies - continued

Leased assets - continued

Right-of-use assets - continued

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

1. Accounting policies - continued

Leased assets - continued

Right-of-use assets - continued

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments

Some vehicles leases contain variable payment terms.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Impairment testing of intangible assets and equipment

For the impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

1. Accounting policies - continued

Income taxes

Tax expense recognised in profit or loss comprises the sum of current tax and deferred tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity, reserves, and dividend payments

Share capital represents the nominal value of shares that have been issued.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

1. Accounting policies - continued

Equity, reserves, and dividend payments - continued

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Short-term employee benefits

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for cash settlement.

The fair values of employees' services rewarded under these plans are determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based remuneration is recognised as an expense in profit or loss in the period that the service is rendered, with a corresponding credit to 'retained earnings'.

Provisions, contingent assets, and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1. Accounting policies - continued

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates, and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Impairment of software and capitalised development projects

Assessing whether there are indications of impairment on software and capitalised development projects requires judgement. The management monitors whether there are indicators that the software and capitalised development projects may be impaired on an ongoing basis. An impairment test on the specific software and capitalised development projects is prepared on an annual basis.

Cash

The Group's cash consist of Scalepoint's own cash and indemnification accounts to cover granted claims to policy holders. Scalepoint has control and carry benefit of cash on all bank accounts and thus in management's judgement all bank accounts are recognised as cash in the annual statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems.

Notes to the consolidated financial statements

	2022	2021
	DKK '000	DKK '000

2. Revenue

Rendering of services	562.507	510.341
Total	562.507	510.341
Scandinavia	530.561	480.907
Rest of world	31.945	29.434
Total	562.507	510.341

3. Employee costs and remuneration

Wages and salaries	74.804	62.938
Pensions	184	316
Social security costs and other personnel costs	5.502	3.816
Total	80.490	67.070
Average number of employees in the year	97	103

Remuneration of Directors and Executive Management

Remuneration	3.931	3.391
Total remuneration for Directors and Executive Management	3.931	3.391

No directors accrued benefits under the company pension schemes during the year.

Remuneration for Group key management employees:

Remuneration	10.690	11.002
Total remuneration for Group key management employees	10.690	11.002

Notes to the consolidated financial statements

3. Employee remuneration - continued

The company has issued warrants to key employees in Scalepoint Technologies Holding A/S. The warrants can be settled in equity in the exercise period 2026-2030.

	Number of warrants	Weighted average exercise price DKK
Outstanding at January 2022	32.528	642
Granted	19.777	642
Exercised	0	0
Outstanding at December 2022	52.305	642

	2022 DKK '000	2021 DKK '000
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4. Financial income

Interest income, banks	136	99
Foreign exchange gains	1.367	0
Other interest income	225	267
Total	1.728	366

5. Financial expenses

Interest expenses, banks	1.372	1.799
Foreign exchange losses	1.989	407
Interest expenses, lease liabilities	265	301
Other interest expenses	30	56
Total	3.656	2.563

Notes to the consolidated financial statements

	2022	2021
	DKK '000	DKK '000
6. Tax		
Tax on profit for the year:		
Current tax	158	(1.560)
Adjustment of tax for previous years	569	2
Change in deferred tax	1.924	(2.149)
Total	2.651	(3.707)
Reconciliation of effective tax rate:		
Profit before tax	(9.727)	(15.273)
Tax computed on the profit before tax at a tax rate of 22%	(2.140)	(3.360)
Permanent differences	3.009	(398)
Total - Effective tax rate	869	(3.758)
Total - effective tax rate in %	-8,9%	24,6%
Deferred tax is made up as follows:		
Deferred taxes arising from temporary differences are summarised below:		
Intangible assets	(14.074)	(10.298)
Property, plant and equipment	370	308
Tax loss carry forwards	15.162	13.371
Tax loss carry forward not recognised	0	0
Total deferred tax	1.458	3.381
Which is categorised as follows:		
Non-current deferred tax assets	1.458	3.381
Total	1.458	3.381
Current tax asset/liability		
Calculated tax charge for the year	158	(1.560)
Tax paid on account		(303)
Current tax asset/liability, total	158	(1.863)

Notes to the consolidated financial statements

7. Intangible assets

Amounts in DKK '000	Devel- opment projects in progress	Capitalised devel- opment costs	Software	Total
2022				
Cost at 01-01-2021	16.033	68.438	291.463	375.934
Additions during the year	25.417	0	0	25.417
Cost at 31-12-2022	41.450	68.438	291.463	401.351
Amortisation and impairment losses as at 01-01-2021	0	27.392	272.476	299.868
Amortisation during the year	0	20.317	6.778	27.095
Amortisation and impairment losses at 31-12-2022	0	47.709	279.254	326.963
Carrying amount at 31-12-2022	41.450	20.729	12.209	74.388
2021				
Cost at 01-01-2021	23.115	27.650	291.463	342.228
Transfer	(23.115)	23.115	0	0
Additions during the year	16.033	17.673	0	33.706
Cost at 31-12-2021	16.033	68.438	291.463	375.934
Amortisation and impairment losses at 01-01-2021	0	4.543	245.996	250.539
Amortisation during the year	0	22.849	26.480	49.329
Amortisation and impairment losses at 31-12-2021	0	27.392	272.476	299.868
Carrying amount at 31-12-2021	16.033	41.046	18.987	76.066

Impairment test on development projects and software

Development projects and software are impairment tested individually for internal purposes, even if there are no indications of impairment. The carrying amount of software is mDKK 12,2 and development projects is mDKK 62,2 at 31 December 2022. The recoverable amount of development projects and software relates to Scalepoint's product solutions. Based on value-in-use calculations no impairment was identified.

Management has assessed that reasonably probable changes in the key assumptions will not lead to impairment.

Amortization and impairment	2022 DKK '000	2021 DKK '000
Cost of sales	13.446	15.134
Research & development	13.649	34.169
Administration	0	26
Total	27.095	49.329

Notes to the consolidated financial statements

8. Property, plant and equipment

Amounts in DKK '000	Property	IT and other equipment		Total
	Right-of-use	Right-of-use	Owned	
2022				
Costs at 01-01-2022	18.190	155	19.269	37.614
Exchange rate adjustments	13	0	0	13
Additions during the year	0	0	659	659
Costs at 31-12-2022	18.203	155	19.928	38.286
Depreciation at 01-01-2022	5.210	155	16.972	22.337
Depreciation during the year	1.925	0	1.368	3.293
Depreciation at 31-12-2022	7.135	155	18.340	25.630
Carrying amount at 31-12-2022	11.068	0	1.588	12.656

2021

Costs at 01-01-2021	18.181	155	18.503	36.839
Exchange rate adjustments	9	0	0	9
Additions during the year	0	0	766	766
Costs at 31-12-2021	18.190	155	19.269	37.614
Depreciation at 01-01-2021	3.285	113	15.410	18.808
Depreciation during the year	1.925	42	1.562	3.529
Depreciation at 31-12-2021	5.210	155	16.972	22.337
Carrying amount at 31-12-2021	12.980	0	2.297	15.277

Depreciation	2022 DKK '000	2021 DKK '000
Cost of sales	1.122	1.272
Administration	2.171	2.257
Total	3.293	3.529

Notes to the consolidated financial statements

	31-12-2022	31-12-2021
	DKK '000	DKK '000
8. Right-of-use assets		
Property	11.068	12.980
Other equipment	0	0
Total right-of-use assets	11.068	12.980
8. Lease liabilities		
Current	1.897	1.821
Non-current	10.212	12.109
Total lease liabilities	12.109	13.930
Share of lease liabilities due 1-5 years	9.932	7.808
Share of lease liabilities due after 5 years	2.177	4.301
Total non-current lease liabilities	12.109	12.109
Additions to the right-of-use assets during the financial year were	0	0
Depreciation charge of right-of-use assets		
Property	1.925	1.925
Other equipment	0	0
Total depreciation charge of right-of-use assets	1.925	1.925
Costs recognised in the income statement		
Interest expense	265	301
Expenses related to short-term leases	534	403
Expenses related to leases of low-value assets	51	42
Expenses related to variable lease payments not included in lease liabilities	10	16
Income from forward leases	145	(495)
Total costs recognised in the income statement	1.005	267
The total cash outflow for leases	1.880	1.866

9. Financial assets and liabilities

Note 1 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

Amounts in DKK '000	Total
2022	
Financial assets	
Other long-term receivables	5.825
Other long term financial assets	5.825
Trade and other receivables	275.366
Cash and cash equivalents	214.981
Other short term financial assets	490.347
Total financial assets	496.172
Financial liabilities	
Current debt to credit institutions	29
Trade and other payables	570.383
Financial liabilities	570.412

9. Financial assets and liabilities - continued

Amounts in DKK '000	Total
2021	
Financial assets	
Other long-term receivables	5.705
Other long term financial assets	5.705
Trade and other receivables	199.465
Cash and cash equivalents	230.467
Other short term financial assets	429.932
Total financial assets	435.637
Financial liabilities	
Current debt to credit institutions	31
Trade and other payables	503.705
Financial liabilities	503.736

All of the above listed financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 31 December 2022 with exception of held for trading assets and derivative financial instruments which are carried at their fair values.

9. Financial assets and liabilities - continued

Borrowings

Borrowings include the following financial liabilities:

Current debt to credit institutions	29	31
Total carrying amounts	29	31

All borrowings are denominated in DKK. Estimated fair values are as follows:

	Fair value	
Current debt to credit institutions	29	31
Total borrowings at fair value	29	31

	Carrying amount	
Current debt to credit institutions	29	31
Total borrowings at carrying amounts	29	31

Borrowings consists of credit card debt that are repaid on a monthly basis. No interests incur if paid within terms. There are no pledged securities.

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents

Notes to the consolidated financial statements

31-12-2022 31-12-2021
DKK '000 DKK '000

10. Trade and other receivables

Trade receivables, gross	273.660	199.317
Provision for losses	(30)	(70)
Financial assets	273.630	199.247
Prepayments	1.545	0
Receivables from group enterprises	42	42
Other receivables	149	176
Non-financial assets	1.736	218

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indications of impairment. No such indications was identified.

Due receivables not written down:

Overdue, less than 30 days	85.857	19.092
Overdue, more than 30 days	3.614	3.689
Total	89.471	22.781

11. Cash and cash equivalent

Cash	214.981	230.467
Total	214.981	230.467

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include tDKK 162.841 which are held by the Group.

These deposits are policyholder funds, that the Group holds on behalf of the insurance companies and are therefore not available for general use by the Group.

Notes to the consolidated financial statements

	31-12-2022	31-12-2021
	DKK '000	DKK '000

12. Equity

Share capital

The company's share capital consists of 426.993 ordinary shares of 1 DKK and 74.928 B shares of 1 DKK. The shares are fully paid in. All shares are equally eligible to receive dividends and the repayment of capital and all ordinary shares represent on vote at the shareholders' meeting.

Retained earnings

Retained earnings represent retained profits.

Capital management policies and procedures

The Group's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Group monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the consolidated statement of financial position.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	31-12-2022	31-12-2021
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13. Trade and other payables

Trade payables	45.858	41.298
Short term debt to credit institutions	29	31
Trade and other payables - current	45.887	41.329

14. Other liabilities

Payables to policy holders	413.531	395.397
Prepaid revenue	89.702	33.157
Holiday allowances	2.643	7.426
Other payables	18.650	26.428
Other current liabilities	524.526	462.408

Payables to policy holders comprises undisposed claim compensations to insurance policy holders.

Notes to the consolidated financial statements

31-12-2022	31-12-2021
DKK '000	DKK '000

15. Contingent liabilities

The Danish companies are taking part in a joint taxation with the majority shareholder HST Holding A/S and the ultimate majority shareholder CREP 1 ApS, which are both Danish limited companies. The Danish companies have joint and unlimited liability for the total income tax and any obligations related to withholding taxes regarding interest, royalties and dividends for these jointly taxed Danish entities. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income.

The group has issued guarantees for a total of tDKK 1.820.

As collateral for guarantees of tDKK 1.500 the group has pledged Cash and cash equivalents representing a carrying amount of tDKK 1.500.

As collateral for payables with credit institutions 0 DKK the group has pledged Cash and cash equivalents of a carrying amount of tDKK 1.000.

16. Capital commitments

At 31 December 2022, the Group had no capital commitments in place.

17. Financial risks and financial instruments

Financial derivatives

The Group's most material risk relates to purchase of foreign developer hours in USD for development of new software application system and sales to customers in NOK and CHF.

From late 2020, the Group has minimised its risk by only purchasing developer hours in EUR and in 2021 they have terminated all hedging.

Foreign currency risk

The Group is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Group's most material currency risk is described above. Hereafter the management considers the current currency risks limited.

Credit risk

Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

17. Financial risks and financial instruments - continued

Liquidity risk

The Group liquidity risks covers the risk that the Group is not able to meet its liabilities as they fall due.

The Group is not subject to material liquidity risks.

Interest rate risk

The Group is only exposed to interest rate risks in relation to managing surplus liquidity, as the Group does not have any financial loans.

Amounts in DKK '000	Within 1	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2022					
Payables to credit institutions	29	0	0	0	29
Trade payables	45.858	0	0	0	45.858
Tax liabilities	0	0	0	0	0
Lease liabilities	1.897	1.914	6.121	2.177	12.109
Other payables	524.526	0	0	0	524.526
Total	572.309	1.914	6.121	2.177	582.521

All financial liabilities at 31 December 2022 are measured at amortised cost.

Amounts in DKK '000	Within 1	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2021					
Payables to credit institutions	31	0	0	0	31
Trade payables	41.298	0	0	0	41.298
Tax liabilities	0	0	0	0	0
Lease liabilities	1.831	1.899	5.899	4.301	13.930
Other payables	462.407	0	0	0	462.407
Total	505.567	0	0	0	517.666

All financial liabilities at 31 December 2021 are measured at amortised cost.

18. Related parties

Ownership

HST Holding A/S, Copenhagen, Denmark, has control of Scalepoint Technologies Holding A/S, as the company holds the majority of the voting rights.

The ultimate controlling party is CREP 1 ApS, Gentofte, Denmark, which holds the majority of the votes in HST Holding A/S.

The following shareholders holds more than 5 % of the share capital or the voting rights:

- HST Holding A/S, Denmark
- VC1943 ApS, Denmark

Companies in the group

Name	Registered	Ownership
<i>Parent</i>		
Scalepoint Technologies Holding A/S	Denmark	
<i>Subsidiaries</i>		
Scalepoint Technologies Denmark A/S	Denmark	100%
Scalepoint Germany	Germany	100%
Scalepoint Technologies Norway A S	Norway	100%
Scalepoint Technologies Switzerland GmBH	Switzerland	100%
Scalepoint Solutions S.L.U.	Spain	100%
Scalepoint Austria	Austria	100%
Scalepoint Sweden	Sweden	100%
Scalepoint Technologies Ltd., UK	United Kingdom	100%

Transactions with key Group management employees

Remuneration for the management is disclosed in note 3.

Transactions with other related parties

There were no transactions with other related parties.

19. Events occurring after the balance sheet date

There are no post balance date events that requires adjustments to the financial statements.

20. New accounting standards

No new standards are expected to have any substantial impact on the Group's financial reporting.

Parent company's income statement

Note	2022 DKK '000	2021 DKK '000
Income statement		
	(248)	(281)
	0	(88)
	(248)	(369)
3	26	49
4	(185)	(175)
	(407)	(495)
5	17	24
	(390)	(471)

Parent company's statement of financial position

Note	31-12-2022 DKK '000	31-12-2021 DKK '000	
ASSETS			
6	Investments in subsidiaries	12.768	12.768
	Total non-current assets	12.768	12.768
Current assets			
7	Receivables from group enterprises	118	82
7	Other receivables	53	145
7	Cash and cash equivalents	1.102	1.252
	Total current assets	1.273	1.479
	Total assets	14.041	14.247
EQUITY AND LIABILITIES			
	Share capital	502	502
	Retained earnings	7.372	7.762
	Total equity	7.874	8.264
7	Payables to group enterprises	6.003	5.827
7	Other liabilities	165	156
	Total equity and liabilities	14.041	14.247

Parent company's statement of equity

DKK '000	Share capital	Retained earnings	Total equity
2022			
Equity at 01-01-2022	502	7.762	8.264
Net profit for the year	0	(390)	(390)
Comprehensive income	0	(390)	(390)
Dividends	0	0	0
Transactions with owners	0	0	0
Equity at 31-12-2022	502	7.372	7.874

DKK '000	Share capital	Retained earnings	Total equity
2021			
Equity at 01-01-2021	502	8.233	8.735
Net profit for the year	0	(471)	(471)
Comprehensive income	0	(471)	(471)
Dividends	0	0	0
Transactions with owners	0	0	0
Equity at 31-12-2021	502	7.762	8.264

Parent company's cash flow statement

	31-12-2022	31-12-2021
	DKK '000	DKK '000
Profit/loss before tax	(407)	(495)
Adjustment of non-cash transactions:		
Financial income	(26)	(49)
Financial expenses	185	175
Change in working capital:		
Receivables from group enterprises	(36)	(8)
Trade and other payables	101	1.066
Payables to group enterprises	176	476
Other non-cash items	0	181
Net cash from operating activities before net financials	(8)	1.345
Financial income received	26	49
Financial expenses paid	(185)	(175)
Tax receivable, joint taxation	17	24
Net cash from operating activities	(150)	1.243
Dividend from subsidiaries	0	0
Paid dividend	0	0
Net cash used in financing activities	0	0
Total cash flows for the year	(150)	1.243
Cash beginning of year	1.252	9
Cash end of year	1.102	1.252
Cash, end of year, comprises:		
Cash	1.102	1.252
Total	1.102	1.252

Overview of notes to the parent company's financial statements

1. Accounting policies
2. Significant accounting estimated and judgments
3. Financial income
4. Financial expenses
5. Tax
6. Investments in subsidiaries
7. Financial assets and liabilities
8. Equity
9. Contingencies
10. Financial risks
11. Related parties
12. Events occurring after the balance sheet date
13. New accounting standards

1. Accounting policies

General information and statement of compliance with IFRS

Scalepoint Technologies Holding A/S is a limited liability company domiciled in Denmark.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and additional Danish disclosure requirements.

Statement of comprehensive income

Administrative expenses

Administration comprise costs incurred during the year concerning management and administration, including costs concerning stationery and office supplies.

Income from equity investments in group enterprises

Income from equity investments in group enterprises comprise dividend received from group enterprises.

Balance sheet

Investment in subsidiaries

Investment in subsidiaries are measured at cost less writedowns.

Receivables from group enterprises

Receivables from group are measured at estimated fair value. All receivables from group enterprises are tested for indications of impairments.

Cash

Cash comprise cash on hand and demand deposits.

Liabilities

Other financial liabilities comprise trade payables. On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortised cost.

Equity

Share capital represents the nominal value of shares that have been issued. Retained earnings comprises the company's retained earnings.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

2. Significant accounting estimated and judgments

The management have not made any significant estimates or judgments when preparing these financial statements.

Notes to the parent company's financial statements

	2022	2021
	DKK '000	DKK '000
3. Financial income		
Interest income, bank	17	0
Interest from group enterprises	3	2
Foreign exchange gains	6	47
Total	26	49
4. Financial expenses		
Interest expenses, bank	0	1
Interest expenses group enterprises	177	169
Foreing exchange loss	8	5
Total	185	175
5. Tax		
Tax on profit for the year:		
Value of tax loss used for joint taxation	17	0
Adjustment of tax for previous years	0	24
Total	17	24
Reconciliation of effective tax rate:		
Result before tax	(407)	(495)
Tax computed on the profit before tax at a tax rate of 22%	(90)	(109)
Non taxable income	0	0
Adjustment of tax for previous years	0	(24)
Deferred tax not recognised	0	0
Total - effective tax	(90)	(133)
Total - effective tax rate in %	22,1%	26,9%
Current tax asset		
Receivable tax, from group enterprises, under joint taxation	0	0
Current tax asset, total	0	0

6. Investments in subsidiaries

Amounts in DKK '000	Investments
2022	
Cost at 01-01-2022	25.478
Cost at 31-12-2022	25.478
Amortisation and impairment losses at 01-01-2022	12.710
Amortisation and impairment losses at 31-12-2022	12.710
Carrying amount at 31-12-2022	12.768
2021	
Cost at 01-01-2021	25.659
Disposals during the year	(181)
Cost at 31-12-2021	25.478
Amortisation and impairment losses at 01-01-2021	12.710
Amortisation and impairment losses at 31-12-2021	12.710
Carrying amount at 31-12-2021	12.768

7. Financial assets and liabilities

Amounts in DKK '000	Loans and other receivables (carried at am- ortised cost)
2022	
Financial assets	
Receivables from group enterprises	118
Other receivables	53
Cash	1.102
Financial assets	1.273
Financial liabilities	
Liabilities to group enterprises	6.003
Trade and other payables	165
Financial liabilities	6.168

All of the above listed financial assets and liabilities' carrying values are approximate to their fair values due to their short term nature as at 31 December 2022.

7. Financial assets and liabilities - continued

Amounts in DKK '000	Loans and other receivables (carried at am- ortised cost)
2021	
Financial assets	
Receivables from group enterprises	82
Other receivables	145
Cash	1.252
Financial assets	1.479
Financial liabilities	
Liabilities to group enterprises	5.827
Trade and other payables	157
Financial liabilities	5.984

All of the above listed financial assets and liabilities' carrying values are approximate to their fair values due to their short term nature as at 31 December 2021.

8. Equity

Share capital

The company's share capital consists of 426.993 ordinary shares of 1 DKK and 74.928 B shares of 1 DKK. The shares are fully paid in. All shares are equally eligible to receive dividends and the repayment of capital and all ordinary shares represent on vote at the shareholders' meeting.

Retained earnings

Retained earnings represent retained profits or losses.

Capital management policies and procedures

The company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

9. Contingencies

The company is taxed jointly with CREP 1 ApS and other companies in the CREP group and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

10. Financial risks

Risk management policy

Management, in consultation with the board of directors, manages the company's financial risks. The management of the company's risks is included in management's monitoring of the company. The company is not exposed to any significant financial risks.

Credit risk

Due to the nature of the business, credit risk is deemed minimal.

Interest rate risks

The company is only exposed to interest rate risks in connection with surplus liquidity, as the company does not have any financial loans.

11. Related parties

Ownership

HST Holding A/S, Copenhagen, Denmark, has control of Scalepoint Technologies Holding A/S, as the company holds the majority of the voting rights. The ultimate controlling party is CREP 1 ApS, Gentofte, Denmark, which holds the majority of the votes in HST Holding A/S.

The following shareholders holds more than 5 % of the share capital or the voting rights:

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Transactions with other related parties

There were no transactions with other related parties.

12. Events occurring after the balance sheet date

There are no post balance date events that requires adjustments to the financial statements.

13. New accounting standards

No new standards are expected to have any substantial impact on the company's financial reporting.