Scalepoint Technologies Denmark A/S

Aldersrogade 8, 2100 Copenhagen
Company reg. no. 38 30 73 47

Annual report

1 January - 31 December 2022

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

Chairman of the meeting

Scalepoint Technologies Denmark A/S
Aldersrogade 8
2100 Copenhagen

Company reg. no.	38 30 73 47
Financial year	1 January - 31 December
Board of Directors	Peter Heering, chairman Ulrik Trolle Hans Otto Engkilde Lene Søe Weldum
Executive management	Tue Høilund-Carlsen
Independent auditor	Grant Thornton, State Authorised Public Accountants Stockholmsgade 45 2100 Copenhagen

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 Denmark A/S for the financial year 1 January 2022 - 31 December 2022.

The 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 financial statements and the financial statements provide a fair presentation of the company's assets, liabilities and financial position as at 31 December 2022 and of the results of the company's operations and the 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 company's business activities and financial position, the earnings for the year and the financial position, together with a description of the principal risks and uncertainties that the 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 Søe Weldum

Financial Highlights

Development in activities and financial matters
The financial performance in 2022 is generally considered satisfactory. During 2022, the Company's revenue increased with 10,4% from DKK 441 million (2021) to DKK 487 million, which was higher than the anticipated 6% growth.

The Company's total cost base increased with 9,3% from DKK 473 million (2021) to DKK 517 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 Company's net profit from operations improved significantly compared with the net loss of DKK 12 million in 2021. For the year 2022, net profit from operations amounted to DKK 2 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 13 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 company'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 company 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.

Business Model

The principal activity of the Company is to offer digital solutions, which help insurance companies help their customers by processing and resolving notified claims. The Company'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 Company 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 Company's key risks are described below.

GDPR

By nature of the business, the Company 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 Company 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 Company and essential for achieving innovative and operational excellence. It is decisive that the Company recruit and retain highly educated and knowledgeable employees. The Company 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 Company 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 Company does not actively engage in trading of financial assets and financial derivatives. The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Company 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 company'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 Company is only exposed to interest rate risks in relation to managing surplus liquidity, as the Company does not have any financial loans. The increasing interest rates have a positive effect on the financials of the Company.

IT and Security risk
The Company remains exposed to technology risks such as cyber-attacks, system disruptions and system failure. To minimize and manage those risks, the Company 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 Company has signed a cyber risk insurance policy.

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

Once a year the Company 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 Company strives to minimize possible negative climate and environmental impacts. As an IT development Company, 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, link 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 Company 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 Company 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 Company’s values and guidelines related to anti-corruption, the Company has prepared Good Business Practice and Money Laundering Business Procedures for the employees. Further, the Company 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 Company aims to promote diversity and to have representation of both genders at management as well as board level. It is the Company’s firm belief that diversity in all aspects makes us as an organisation only stronger, better and more creative – living our Company 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 Company'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 Company 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 Denmark A/S

Our opinion
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations and cash flows for the financial year 1 January - 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 (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in the Management's Review.

Responsibilities for the financial statements and the audit
Management is responsible for the preparation of 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 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 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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit 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 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 8 May 2023

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

Michael Winther Rasmussen	Jacob Helly Juell-Hansen
State Authorised Public Accountant	State Authorised Public Accountant
MNE-no. 28708	MNE-no. 36169

Note		2022 DKK '000	2021 DKK '000
	Income statement		
2	Revenue	486.615	441.089
	Cost of sales	(437.321)	(400.141)
	Gross profit	**49.294**	**40.948**
3	Other operating income	21.611	18.560
	Research and development costs	(14.574)	(37.275)
	Sales and marketing costs	(7.730)	(8.357)
	Administrative expenses	(57.096)	(27.532)
	Operating profit/loss (EBIT)	**(8.495)**	**(13.656)**
5	Financial income	668	671
6	Financial expenses	(2.466)	(2.602)
	Profit/loss before tax	**(10.293)**	**(15.587)**
7	Tax on profit/loss for the year	(2.493)	3.801
	Profit/loss for the year	**(12.786)**	**(11.786)**
	Statement of comprehensive income		
	Profit/loss for the year	(12.786)	(11.786)
	Forward contract - cashflow hedge	0	(176)
	Total comprehensive income	**(12.786)**	**(11.962)**

Note		31-12-2022 DKK '000	31-12-2021 DKK '000
	ASSETS		
	Non-current assets		
8	Development projects in progress	41.450	16.033
8	Capitalised development costs	20.729	41.046
8	Software	12.209	18.987
9	Property, plant and equipment	12.531	15.064
10	Other long-term receivables	5.764	5.646
7	Deferred tax asset	1.440	3.364
	Total non-current assets	**94.123**	**100.140**
	Current assets		
11	Trade receivables	250.924	176.648
11	Receivables from group enterprises	17.352	13.159
7	Tax receivables from group enterprises	0	1.679
11	Other receivables	148	27
11	Prepaid expenses	1.442	0
12	Cash and cash equivalents	159.529	188.680
	Total current assets	**429.395**	**380.193**
	Total assets	**523.518**	**480.333**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Reserve for development projects	48.500	44.522
	Retained earnings	(48.204)	(31.440)
13	**Total equity**	**796**	**13.582**
	Non-current liabilities		
9	Lease liabilities	10.176	11.977
	Total non-current liabilities	**10.176**	**11.977**
	Current liabilities		
14	Payables to credit institutions	33	31
14	Trade payables	41.370	38.555
8	Tax payables	0	0
	Payables to group enterprises	741	693
9	Lease liabilities	1.801	1.726
15	Other liabilities	468.601	413.769
	Total current liabilities	**512.546**	**454.774**
	Total equity and liabilities	**523.518**	**480.333**

DKK '000	Share capital	Reserve for devel-opment projects	Other reserve	Retained earnings	**Total equity**
2022					
Equity at 01-01-2022	500	44.522	0	(31.440)	13.582
Comprehensive income					
Net profit for the year	0	0	0	(12.786)	(12.786)
Change in reserve for the year	0	3.978	0	(3.978)	0
Comprehensive income	**0**	**3.978**	**0**	**(16.764)**	**(12.786)**
Equity at 31-12-2022	**500**	**48.500**	**0**	**(48.204)**	**796**

DKK '000	Share capital	Reserve for devel-opment projects	Other reserve	Retained earnings	**Total equity**
2021					
Equity at 01-01-2021	500	36.053	176	(11.185)	25.544
Comprehensive income					
Net profit for the year	0	0	0	(11.786)	(11.786)
Change in reserve for the year	0	8.469	0	(8.469)	0
Other comprehensive income	0	0	(176)	0	(176)
Comprehensive income	**0**	**8.469**	**(176)**	**(20.255)**	**(11.962)**
Equity at 31-12-2021	**500**	**44.522**	**0**	**(31.440)**	**13.582**

	31-12-2022 DKK '000	31-12-2021 DKK '000
Profit/loss before tax	(10.293)	(15.587)
Adjustment of non-cash transactions:		
Depreciation and amortisation	30.287	52.757
Financial income	(668)	(671)
Financial expenses	2.466	2.602
Change in working capital:		
Receivables and prepaid expenses	(80.150)	(134.582)
Trade payables	2.815	160
Payables to group enterprises	48	2
Other liabilities	54.832	59.703
Other non-cash items	0	55
Net cash from operating activities before net financials	**(663)**	**(35.561)**
Financial income received	668	671
Financial expenses paid	(2.466)	(2.602)
Tax paid prior year	0	1.282
Tax paid/received current year	1.110	3.015
Net cash from operating activities	**(1.351)**	**(33.195)**
Purchase of property, plant and equipment	(659)	(766)
Purchase of development projects	(25.417)	(33.706)
Net cash used in investing activities	**(26.076)**	**(34.472)**
Lease liabilities	(1.726)	(1.697)
Net cash from financing activities	**(1.726)**	**(1.697)**
Total cash flows for the year	**(29.153)**	**(69.364)**
Cash beginning of year	188.649	258.013
Cash end of year	**159.496**	**188.649**
Cash, end of year, comprises:		
Cash	159.529	188.680
Short-term payables to credit institutions	(33)	(31)
Total	**159.496**	**188.649**

1. Accounting policies

General information and statement of compliance with IFRS
Scalepoint Technologies Denmark A/S is a limited liability company domiciled in Denmark. The financial statements 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 company's presentation currency and the functional currency of the company. 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.

Management has reassessed the estimate related to the economic lifetime of intangible assets. The previsous 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

Foreign currency translation
Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

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.

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 company’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 company also provide service solutions for the insurance policyholder, for whom the company have handled a claim, i.e. providing replacement goods or gift vouchers through a webshop. The replacement goods are delivered via an

1. Accounting policies - continued

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 company's research and development activities.

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 company'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 company's administrative activities.

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

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

1. Accounting policies - continued

Intangible assets - continued

Subsequent measurement - continued

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

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

Property, plant and equipment

IT equipment and other equipment

IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing 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 company'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 company is a leasee, 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 company 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 company 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 company 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 company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company 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 company, 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 company:
- 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 company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The company 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.

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 company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company 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

1. Accounting policies - continued

Leased assets - continued
Right-of-use assets - continued
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 company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company 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 company'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. With the exception of goodwill, 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.

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.

1. Accounting policies - continued

Income taxes - continued
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 company 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 company'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 company 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
Share capital represents the nominal value of shares that have been issued.

Other components of equity include the following:
- Other reserve - comprises gains and losses relating to cash flow hedges.
- Reserve for development projects - comprises capitalized development costs.

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

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

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

1. Accounting policies - continued

Provisions, contingent assets, and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the company 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 company 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 company 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.

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 company that have the most significant effect on the financial statements:

Impairment of software application systems
Assessing whether there are indications of impairment on capitalised software requires judgement. The Management monitors whether there are indicators that the capitalised software may be impaired on an ongoing basis. If there are indications of impairments, an impairment test on the specific software is prepared.

Cash
The company'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.

1. Accounting policies - continued

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 of software application systems
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.

	2022 DKK '000	2021 DKK '000
2. Revenue		
Rendering of services	486.615	441.089
Total	**486.615**	**441.089**
3. Other operating income		
Administration fee from group enterprises	21.611	18.560
Total	**21.611**	**18.560**
4. Employee costs and remuneration		
Wages and salaries	67.423	55.376
Pensions	6.192	6.488
Social security costs	213	228
Total	**73.827**	**62.091**
Average number of employees in the year	94	100
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.

	2022	2021
Remuneration for key management employees:		
Remuneration	10.690	11.002
Total remuneration for key management employees	**10.690**	**11.002**
5. Financial income		
Interest income from group enterprises	443	306
Other interest income	225	365
Total	**668**	**671**

	2022 DKK '000	2021 DKK '000
6. Financial expenses		
Interest expenses, banks	1.446	1.790
Interest expenses, group enterprises	18	21
Interest expenses, lease liabilities	261	295
Foreign exchange losses	711	446
Other interest expenses	30	50
Total	**2.466**	**2.602**

7. Tax

Tax on profit for the year:		
Current tax	0	(1.679)
Change in deferred tax	1.924	(2.148)
Adjustment tax prior year	569	26
Total	**2.493**	**(3.801)**
Reconciliation of effective tax rate:		
Profit before tax	(10.293)	(15.587)
Tax computed on the profit before tax at a tax rate of 22%	(2.264)	(3.429)
Permanent differences	3.009	(398)
Total - effective tax	**745**	**(3.827)**
Total - effective tax rate in %	**-7,2%**	**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 forward	15.145	13.354
Total deferred tax	**1.440**	**3.364**
which is categorised as follows:		
Non-current deferred tax assets	1.440	3.364
Total	**1.440**	**3.364**

Current tax asset/liability

Calculated tax charge for the year	0	(1.679)
Current tax asset/liability, total	**0**	**(1.679)**

8. Intangible assets

Amounts in DKK '000	Devel-opment projects in progress	Capitalised devel-opment costs	Software	**Total**
2022				
Cost at 01-01-2022	16.033	68.438	291.463	375.934
Transfer	0	0	0	0
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 at 01-01-2022	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 and development	13.649	34.169
Administration	0	26
Total	**27.095**	**49.329**

9. Property, plant and equipment

	Property	IT and other equipment		
Amounts in DKK '000	Right-of-use	Right-of-use	Owned	**Total**
2022				
Costs at 01-01-2022	17.690	155	19.269	37.114
Additions during the year	0	0	659	659
Costs at 31-12-2022	**17.690**	**155**	**19.928**	**37.773**
Depreciation losses at 01-01-2022	4.923	155	16.972	22.050
Depreciation during the year	1.824	0	1.368	3.192
Depreciation at 31-12-2022	**6.747**	**155**	**18.340**	**25.242**
Carrying amount at 31-12-2022	**10.943**	**0**	**1.588**	**12.531**
2021				
Costs at 01-01-2021	17.690	155	18.503	36.348
Additions during the year	0	0	766	766
Costs at 31-12-2021	**17.690**	**155**	**19.269**	**37.114**
Depreciation at 01-01-2021	3.099	113	15.410	18.622
Depreciation during the year	1.824	42	1.562	3.428
Depreciation at 31-12-2021	**4.923**	**155**	**16.972**	**22.050**
Carrying amount at 31-12-2021	**12.767**	**0**	**2.297**	**15.064**

Depreciation	2022 DKK '000	2021 DKK '000
Cost of sales	1.122	1.272
Administration	2.070	2.156
Total depreciation	**3.192**	**3.428**

	31-12-2022 DKK '000	31-12-2021 DKK '000
9. Right-of-use assets		
Property	10.943	12.767
Total right-of-use assets	**10.943**	**12.767**
9. Lease liabilities		
Current	1.801	1.726
Non-current	10.176	11.977
Total lease liabilities	**11.977**	**13.703**
Share of lease liabilities due 1-5 years	9.800	9.402
Share of lease liabilities due after 5 years	2.177	4.301
Total non-current lease liabilities	**11.977**	**13.703**
Additions to the right-of-use assets during the financial year were	0	0
Depreciation charge of right-of-use assets		
Property	1.824	1.824
Other equipment	0	42
Total depreciation charge of right-of-use assets	**1.824**	**1.866**
Costs recognised in the income statement		
Interest expense	261	295
Expenses related to short-term leases	534	406
Expenses related to leases of low-value assets	51	42
Expenses related to variable lease payments not included in lease liabilities	0	16
Income from forward leases	(145)	(495)
Total costs recognised in the income statement	**701**	**264**
The total cash outflow for leases	1.777	1.866

10. 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

Amounts in DKK '000	Loans and other receivables (carried at amortised cost)	**Total**
2022		
Financial assets		
Other long-term receivables	5.764	5.764
Other long term financial assets	**5.764**	**5.764**
Trade and other receivables	269.866	269.866
Cash and cash equivalents	159.529	159.529
Other short term financial assets	**429.395**	**429.395**
Total financial assets	**435.159**	**435.159**
Financial liabilities		
Current debt to credit institutions	33	33
Trade and other payables	509.971	509.971
Financial liabilities	**510.004**	**510.004**
2021		
Financial assets		
Other long-term receivables	5.646	5.646
Other long term financial assets	**5.646**	**5.646**
Trade and other receivables	189.834	189.834
Cash and cash equivalents	188.680	188.680
Other short term financial assets	**378.514**	**378.514**
Total financial assets	**384.160**	**384.160**
Financial liabilities		
Current debt to credit institutions	31	31
Trade and other payables	452.324	452.324
Financial liabilities	**452.355**	**452.355**

10. Financial assets and liabilities - continued

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

10.1 Borrowings

Borrowings include the following financial liabilities:

	31-12-2022 DKK '000	31-12-2021 DKK '000
Current debt to credit institutions	33	31
Total carrying amounts	**33**	**31**

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

		Fair value
Current debt to credit institutions	33	31
Total borrowings at fair value	**33**	**31**

		Carrying amount
Current debt to credit institutions	33	31
Total borrowings at carrying amounts	**33**	**31**

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

10.2 Other financial instruments

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

- Trade and other receivables
- Cash and cash equivalents

11. Trade and other receivables

Trade receivables, gross	250.936	176.691
Provision for losses	(12)	(43)
Financial assets	**250.924**	**176.648**
Receivables from group enterprises	17.352	13.159
Other receivables	148	27
Prepaid expenses	1.442	0
Non-financial assets	**18.942**	**13.186**

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

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

11. Trade and other receivables - continued

Due receivables not written down:		
Overdue, less than 30 days	84.303	18.790
Overdue, more than 30 days	3.541	2.230
Total	**87.844**	**21.020**

12. Cash and cash equivalent

Cash	159.529	188.680
Total	**159.529**	**188.680**

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include tDKK 130.722 which are held by Scalepoint Technologies Denmark A/S.

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

13. Equity

Share capital

The company's share capital consists of 500.000 ordinary shares of DKK 1. The shares are fully paid in. All shares are equally eligible to receive dividends and the repayment of capital and represent on vote at the shareholders' meeting.

Reserve for development projects

Reserve for development costs comprises capitalized development costs. This reserve cannot be used for dividends or distributions or to cover losses. If the recognized development costs are sold or otherwise excluded from the company’s operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognized development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reserved. If a write-down of development costs is subsequently reserved, the reserve will be re-established. The reserve is reduced by amortization of capitalized development costs on an ongoing basis.

Retained earnings

Retained earnings represent retained profits.

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

The company 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 company 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 DKK '000	31-12-2021 DKK '000
14. Trade and other payables		
Trade payables	41.370	38.555
Short term debt to credit institutions	33	31
Trade and other current paybles	**41.403**	**38.586**
15. Other liabilities		
Payables to group enterprises	741	693
Prepaid revenue	83.708	31.456
Payables to policy holders	365.230	355.871
Holiday allowances	2.643	7.426
Other payables	17.022	19.016
Other liabilities - current	**469.344**	**414.462**

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

16. 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 company has issued guarantees for a total of tDKK 1.820.

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

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

During the fiscal year 2019, a breach in the controls regarding the company’s role as data processor, had been reported to the Danish Data Protection Agency (DPPA). DDPA has not yet replied whether the company is to be fined or not.
We believe that we are most likely not to be fined due to the circumstances related to the breach. Due to the limited amount of rulings by the Danish courts, if is not possible to make a reasonable estimate of a possible fine.

17. Capital commitments

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

18. Financial risks and financial instruments

Financial derivatives
The Company's most material risk relates to purchase of foreign developer hours in USD for development of new software application system, sales to customers in NOK, and administration fee in CHF.

18. Financial risks and financial instruments - continued

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

Foreign currency risk
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in foreign currency. The Company'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.

Liquidity risk
The Company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks.

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

The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

Amounts in DKK '000	Within 1	1-2 year(s)	2-5 years	Over 5 years	Total
2022					
Payables to credit institutions	33	0	0	0	33
Trade payables	41.370	0	0	0	41.370
Lease liabilities	1.801	1.878	6.121	2.177	11.977
Other payables	468.601	0	0	0	468.601
Total	**511.805**	**1.878**	**6.121**	**2.177**	**521.981**

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
2021					
Payables to credit institutions	31	0	0	0	31
Trade payables	38.555	0	0	0	38.555
Lease liabilities	1.726	1.801	5.875	4.301	13.703
Other payables	413.769	0	0	0	413.769
Total	**454.081**	**1.801**	**5.875**	**4.301**	**466.058**

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

19. Related parties

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

Transactions with key management employees
Remuneration for the management is disclosed in note 4.

Transactions with other related parties
Other than administration fee from group enterprises (as described in note 3) and intercompany receivables and liabilities (as disclosed in note 11 and 15) there were no transactions with other related parties.

20. Events occuring after the balance sheet date

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

21. New accounting standards

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