List of Signatures

Årsrapport 2023 Scalepoint Technologies Denmark.pdf

Name	Method	Signed at
Henrik Løbger	MitID	2024-04-08 15:45 GMT+02

List of Signatures

Årsrapport 2023 Scalepoint Technologies Denmark.pdf

Name	Method	Signed at
Thomas Hjortkjær Petersen	MitID	2024-03-25 08:31 GMT+01
Hans Otto Engkilde	MitID	2024-03-24 07:32 GMT+01
Lene Søe Weldum	MitID	2024-03-22 12:36 GMT+01
Tue Høilund-Carlsen	MitID	2024-03-22 12:03 GMT+01
Christian Ulrik Trolle	MitID	2024-03-22 10:47 GMT+01
Allan Lunde Pedersen	MitID	2024-03-27 11:52 GMT+01
	MitID	2024-03-27 09:44 GMT+01

Scalepoint Technologies Denmark A/S

Aldersrogade 8, 2100 Copenhagen

CVR no. 38 30 73 47

Annual report 2023

Approved at the Company's annual general meeting on 8 April 2024

Chair of the meeting:

....
Henrik Løbger

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Scalepoint Technologies Denmark A/S for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 21 March 2024
Executive Board:

Tue Høilund-Carlsen
CEO

Board of Directors:

Peter Frederik Suhm Heering Chair	Christian Ulrik Trolle	Hans Otto Engkilde
Lene Søe Weldum		

Independent auditor's report

To the shareholders of Scalepoint Technologies Denmark A/S

Opinion

We have audited the financial statements of Scalepoint Technologies Denmark A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information. The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the 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 of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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.

Independent auditor's report

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 in preparing the financial statements 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 21 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen State Authorised Public Accountant mne33748	Allan Lunde Pedersen State Authorised Public Accountant mne34495

Management's review

Company details

Name	Scalepoint Technologies Denmark A/S
Address, postal code, city	Aldersrogade 8, 2100 Copenhagen
CVR no.	38 30 73 47
Established	1 January 2017
Financial year	1 January – 31 December
Website	https://web.scalepoint.com/
Board of Directors	Peter Frederik Suhm Heering, chair Christian Ulrik Trolle Hans Otto Engkilde Lene Søe Weldum
Executive Board	Tue Høilund-Carlsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue [1]	181,198	148,495	133,396	120,501	117,607
EBITDA	67,524	21,780	66,413	55,440	42,035
Cash EBITDA [2]	37,435	8,479	2,933	-21,957	-11,574
Operating profit/loss (EBIT)	44,990	-8,507	13,656	11,484	10,362
Financial items, net	4,385	-1,787	-1,931	-916	-808
Profit/loss for the year	45,120	-12,787	-11,786	-8,995	7,399
Balance sheet total	525,192	523,230	480,333	434,394	442,816
Investments in property, plant and equipment	970	659	766	18,180	2,832
Equity	45,916	796	13,582	25,544	34,095
Cash flows from operating activities	181,753	-1,351	-33,195	37,380	32,376
Cash flows from investing activities	-28,538	-26,076	-34,472	-69,356	-54,088
Cash flows from financing activities	-1,591	-1,726	-1,697	14,919	481
Total cash flows	151,624	-29,153	-69,364	-17,057	-21.231
Financial ratios					
Operating margin (EBIT margin) [1]	25%	-6%	10%	10%	9%
Return on equity	200%	-200%	-60%	-30%	24%
Solvency ratio	9%	0%	3%	6%	8%
Average number of full-time employees	97	94	100	93	87

1) Due to prior year materiel misstatements related to revenue recognition, comparative figures for revenue and operating margin have been restated. Please refer to description in accounting principles.

2) Cash EBITDA: EBITDA less capitalized fixed assets and cash flow from lease liabilities. In 2022, the figure is exclusive of capital procurement costs of DKK 14.5 million.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin (EBIT margin) $$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$$

Return on equity $$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

Solvency ratio $$\frac{\text{Equity, year end} \times 100}{\text{Total liabilities, year end}}$$

Management's review

Principal activities

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 including 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.

Recently, Scalepoint acquired the Policy System, INPAS, marking a significant milestone in our strategic expansion efforts. With this acquisition, Scalepoint aims to integrate our existing claims solution (CORE), with INPAS (future name: PolicyCORE), thereby offering a comprehensive insurance system, CORE, delivered as Software as a Service (SaaS). This consolidation not only enhances Scalepoint's product offering but also reinforces its commitment to providing end-to-end solutions tailored to the evolving needs of the insurance industry including lower IT cost, increased automation, shorter time-to-market and an outstanding end-customer experience.

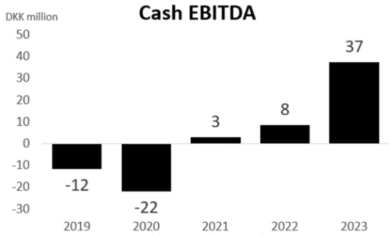
Financial highlights

Development in activities and financial matters

The financial performance in 2023 is generally considered very satisfactory. The Company's financial performance has been turned around, and the financial position has been significantly bolstered as result of the financial performance in 2023.

With a Net profit of DKK 45.1 million, Scalepoint lay distance to previous years' losses and bolster the equity to DKK 45.9 million. In parallel Scalepoint has delivered a Cash EBITDA of DKK 37.4 million and bolstered the financial solidity correspondingly.

The financial turnaround of the Company has been achieved, which will benefit customers, shareholders, and employees. In 2022, we closed the capital raise project without raising capital, after having invested DKK 14.5 million in finding the right capital partner to enable for an ambitious internationalization of the product CORE. Further internationalization is still the natural journey for the Company. The products are rated in the top amongst other claims management solutions and the financial benefits of scaling are attractive.

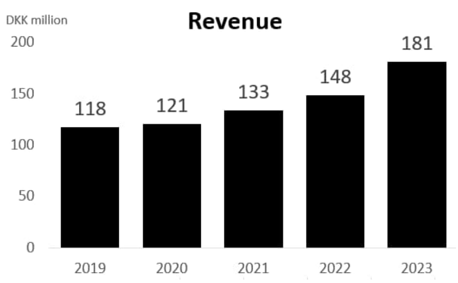


Management's review

The Cash EBITDA of 2023 marks a significant milestone in the financial turnaround of the Company. Excluding the cost of capital procurement in 2022, the illustration clearly shows, that previous years' poor financial performance has been replaced by a sustainable financial performance in line with the nature of the business.

Revenue

During 2023, the Company's revenue increased by 22.0% from DKK 148.5 million to DKK 181.2 million. The growth includes the effect from previous years' price adjustments to customers and the increased claims volume in 2023 affecting the variable revenue fee. In 2022, the Company handled approximately 755 thousand claims through the three main products, ClaimShop, HUB and CORE. In 2023. the total claims increased to 806 thousand representing a volume increase of 6.7%. The claims volume in 2023 is affected by the high level of weathering damages.



The price adjustments made during the last couple of years have been made to ensure that the existing business is financially sustainable and that all costs related to customer activities are included in the prices. Specifically, the price adjustments include pricing of the increasing need for security and compliance as well as the need for Scalepoint to retain and attract the high level of competencies and adequate capacity to maintain, improve and develop the Company's products, including the ability to deliver Professional Services to our customers.

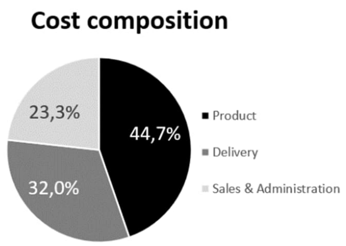
The Company provides additional services to the customers using the ClaimShop solution. One of the additional services is the provision of a web shop from where, the policyholder as a result of a settled claim can reacquire or make other purchases at discounted prices from the ClaimShop suppliers. For the Company, the web shop activities are provided without profit and the Company act as agent in the transaction flow. The web shop revenue and costs are consequently not recognized as revenue. Previously, web shop sales were recognized as revenue, which has been changed in the annual report for 2023 and historical figures accordingly.

From 2019 to 2023, Scalepoint has achieved a GAGR (compounded annual growth rate) of 11.4%. To continue the growth rate, new sales combined with avoidance of customer churn are paramount. The Company is pursuing several new sales possibilities and focuses on delivering excellent customer experiences as well as ensuring that the Company's customer offerings are being rated in the top of claims management solutions.

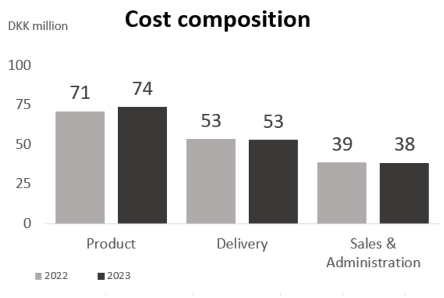
Costs

The Company's total cost base included in Cash EBITDA was DKK 163.3 million in 2023 and DKK 165.1 million in 2022 exclusive of capital procurement cost of DKK 14.5 million.

The Company's activities are divided into three main activities. As illustrated to the right, the Product activities are where the most cost are incurred (44.7%). Product activities include capitalized product investments, customer-financed product improvements and costs to maintenance, bug fixing, and minor improvements carried out on a continued basis. The overall purpose of product activities is to deliver stable excellent customer experiences and ensuring that the products keep on being rated in the top of claims management solutions.
In 2023, we experienced a minor increase in total spendings for the product activities.



Management's review



Besides the product activities, the Company's second largest main activity consists of the activities delivered subsequently to the customer buying a product. Delivery (32.0%) includes IT operations and Risk and Compliance to ensure that the products are delivered in a stable and secure way. Delivery also includes the cost to Key Account Management enabling the Company to support and assist insurance companies in realizing business cases and optimizing value creation through better use of the products purchased. For customers using the ClaimShop product, the following further delivery services are included, Procurement services, Data management, Payment services, and Shop support to claimants. The overall purpose of delivery is to deliver stable excellent customer experiences. In 2023, we experienced a minor decrease in total spendings to the delivery services activities. The cost decrease has been achieved despite the increase in claims handled by the Company's three main products. The delivery cost per claim amounted to DKK 65.6 compared to DKK 70.7 in 2022. The increased efficiency is a result of implementing initiatives that streamline and digitalize delivery processes and the natural impact of scaling, where volume increase only results in marginal cost increase.

Sales & Administration (23.3%) includes Sales & Marketing, Finance, People & Culture, Facilities, Internal IT, and General Management. In 2023, we experienced a minor decrease in administrative costs. The cost decrease represents increased efficiency as a result of implementing initiatives that streamline and digitalize administrative processes.

Comments on the previously announced expectations

With the financial performance in 2023, previously announced expectations have been surpassed significantly. In 2023, we expected new sales, updated terms of trade combined with focus on increasing efficiency to contribute to the Company's healthy revenue growth and profitability. We forecasted a Cash EBITDA of DKK 22 million, including CAPEX security investments and product upgrades of app. DKK 28 million, hence returning the Company to a healthy financial position.

The Company's Cash EBITDA in 2023 amounted to DKK 37.4 million, which is DKK 15.4 million better than expected equivalent to a further improvement of 70.0% compared to previously announced expectations.

Materiel misstatements – accounting policies

In prior years, the Company has recognised revenue related to goods and services purchased by insurers in Claimshop as a principal of the transaction. During the year, Management re-assessed the Company´s position and thus the accounting judgement made in respects of this earlier years and based on the facts and circumstances including the available accounting guidance in connection with such transactions, Management believes that the Company acts as an agent.

The Company does not control the specified good or service provided by another party before that good or service is transferred to the customer. Furthermore, the Company has no inventory risk. When the Company satisfies a performance obligation, the Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified good or service to be provided by the other party.

As a result of the re-assessment, both revenue and cost of sales are overstated earlier years and therefore revenue and cost of sales are corrected as a material misstatement in the annual report of 2023 by restating comparative figures for the current years, both in the Management's review and in the financial statements.

In consequence of the restatement, revenue and cost of sales for 2022 have been adversely affected by DKK 316 million. Neither the opening equity at December 2022 nor the balance sheet or equity at December 2022 or 2023 is affected.

Management's review

Outlook

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.

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 2024, effect from new sales combined with focus on increasing efficiency are projected to contribute to the Company's healthy revenue growth and profitability. We forecast a Net profit of DKK 15-20 million and a Cash EBITDA of DKK 15-20 million, including CAPEX security investments and product upgrades of DKK 20-25 million.

The continued healthy financial performance will result in further financial bolstering of Scalepoint's equity and liquidity. 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.

Financial statements 1 January – 31 December

Income statement

Note	DKK'000	2023	2022
3	Revenue	181,198	148,495
	Other operating income	19,448	21,629
	Other external expenses	-46,858	-69,284
	Gross profit	153,788	100,840
4	Staff costs	-86,264	-79,060
5	Depreciation and impairment of intangible assets and property, plant and equipment	-22,534	-30,287
	Profit/loss before net financials	44,990	-8,507
6	Financial income	4,988	669
7	Financial expenses	-603	-2,456
	Profit/loss before tax	49,375	-10,294
8	Tax on profit/loss for the year	-4,255	-2,493
	Profit/loss for the year	45,120	-12,787

Statement of comprehensive income

Profit/loss for the year	45,120	-12,787
Total comprehensive income	45,120	-12,787

Financial statements 1 January – 31 December

Balance sheets

Note	DKK'000	2023	2022
	ASSETS		
9	Intangible assets		
	Completed development projects	28,193	20,729
	Acquired intangible assets	6,369	12,209
	Development projects in progress	47,817	41,450
		82,379	74,388
10	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	1,387	1,588
	Right to use assets (properties)	9,119	10,943
		10,506	12,531
11	Other non-current assets		
	Other receivables	4,968	4,731
	Deposits	1,072	1,032
		6,040	5,763
	Total non-current assets	98,925	92,682
	Current assets		
	Receivables		
12	Trade receivables	89,950	244,697
13	Work in progress (contract assets)	1,881	6,087
	Receivables from group entities	15,715	17,352
8	Deferred tax assets	3,410	331
	Joint taxation contribution receivable	0	1,110
14	Prepayments	4,087	1,442
		115,043	271,019
15	Cash	311,224	159,529
	Total current assets	426,267	430,548
	TOTAL ASSETS	525,192	523,230

Financial statements 1 January – 31 December

Balance sheets

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
16	Share capital	500	500
	Reserve for development projects	59,288	48,500
	Retained earnings	-13,872	-48,204
	Total equity	45,916	796
	Liabilities other than provisions		
	Non-current liabilities		
17	Lease liabilities	8,470	10,176
	Total non-current liabilities	8,470	10,176
	Current liabilities		
	Bank debt	104	33
17	Lease liabilities	1,917	1,801
	Prepayments received from customers	92,903	83,708
	Trade payables	34,272	41,228
	Payables to group entities	852	1,116
	Corporation tax payables	6,225	0
18	Debt to customers (insurance companies)	320,829	365,230
19	Other liabilities	13,704	19,142
	Total current liabilities	470,806	512,258
	Total liabilities	479,276	522,434
	TOTAL EQUITY AND LIABILITIES	525,192	523,230

Financial statements 1 January – 31 December

Statement of changes in equity

	Share capital	Reserve for development projects	Retained earnings	Total equity
2023				
Equity at 1 January 2023	500	48,500	-48,204	796
Net profit for the year	0	0	45,120	45,120
Change in reserve	0	10,788	-10,788	00
Comprehensive income	0	10,788	34,332	45,120
Equity at 31 December 2023	500	59,288	-13,872	45,916

	Share capital	Reserve for development projects	Retained earnings	Total equity
2022				
Equity at 1 January 2022	500	44,522	-31,440	13,582
Net profit for the year	0	0	-12,786	-12,786
Change in reserves	0	3,978	-3,978	0
Comprehensive income	0	3,978	-16,764	-12,786
Equity at 31 December 2022	500	48,500	-48,204	796

Financial statements 1 January – 31 December

Cash flow statement

Note	DKK'000	2023	2022
	Profit/loss before tax	49,375	-10,294
	Depreciation and amortisation	22,534	30,287
	Interest income on other receivables	-237	0
	Change in net working capital		
	Trade receivables and prepaid expenses	156,418	-80,149
	Trade payables	-6,955	2,815
	Payables/receivables to group entities	1,373	48
	Other liabilities	-40,755	54,832
	Net cash from operating activities before financials and tax	181,753	-2,461
	Tax paid/received current year	0	1,110
	Net cash flows from operating activities	181,753	-1,351
	Purchase of property, plant and equipment	-27,529	-659
	Purchase of development projects	-969	-25,417
	Purchase of deposits	-40	0
	Net cash flows from investing activities	-28,538	-26,076
	Lease liabilities	-1,591	-1,726
	Net cash flows used in financial activities	-1,591	-1,726
	Cash flows for the year	151,624	-29,153
	Cash beginning of year	159,496	188,649
	Cash end of year	311,120	159,496
	Cash end of year, comprises:		
	Cash	311,224	159,529
	Short term payables to credit institutions	-104	-33
	Cash end of year	311,120	159,496

Financial statements 1 January – 31 December

Overview of notes

Financial statements 1 January – 31 December

Notes

1 Accounting policies

General information and statement of compliance with IFRS

Scalepoint Technologies Denmark A/S is a limited company incorporated and 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 for medium-sized class C entities.

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 thousand.

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.

To better reflect the Company's core activities as software provider, Management changed the presentation in the income statement from presentation by function to presentation by nature.

Materiel misstatements – accounting policies

In prior years, the Company has recognised revenue related to goods and services purchased by insurers in Claimshop as a principal of the transaction. During the year, Management re-assessed the Company´s position and thus the accounting judgement made in respects of this earlier years and based on the facts and circumstances including the available accounting guidance in connection with such transactions, Management believes that the Company acts as an agent.

The Company does not control the specified good or service provided by another party before that good or service is transferred to the customer. Furthermore, the Company has no inventory risk. When the Company satisfies a performance obligation, the Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified good or service to be provided by the other party.

As a result of the re-assessment, both revenue and cost of sales are overstated earlier years and therefore revenue and cost of sales are corrected as a material misstatement in the annual report of 2023 by restating comparative figures for the current years, both in the Management's review and in the financial statements.

In consequence of the restatement, revenue and cost of sales for 2022 have been adversely affected by DKK 316 million. Neither the opening equity at December 2022 nor the balance sheet or equity at December 2022 is affected.

New accounting standards

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

Foreign currency translation

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

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 the fair value was determined.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

Income from the rendering of services, which include income from subscription agreements from the Company's own developed software application systems to insurance companies and sale of customised software.

Revenue corresponds to the selling price of the services rendered in the year (percentage of completion method).

Revenue from subscription agreements is recognised over the term of the agreement in accordance with the contents of the agreement. Revenue from time-limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

Revenue from the sale of customised software is recognised in revenue based on the stage of completion of the development, including services relating to support services, which are considered an integral part of customised software.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

The Company does not enter into sales agreements with credit terms exceeding 12 months. Therefore, the Company does not adjust the agreed contract price with a financing element. Additionally, on large projects, security is requested in the form of prepayments.

The transaction price in revenue recognition does not include any considerations from contracts with customers beyond the fair value of the services provided. There are no additional financial adjustments, such as incentives, financing components, or variable considerations that are contingent on the occurrence of a future event, factored into the transaction price. This ensures that the revenue recognized accurately reflects the value of services rendered as per the terms agreed upon in the subscription agreements and claim handling services.

Other operating income

Other operating income comprises items secondary to the principal activities of the Company, including transfer pricing compensation, gains on the disposal of intangible assets and property, plant and equipment, etc.

Other external expenses

Other external expenses comprise costs relating to the Company's primary activities incurred in the year, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

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1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, including from group entities and equity interests, declared dividends from other securities and equity investments, charges in respect of finance leases, realised and unrealised gains and losses on other securities and equity investments, transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on account tax scheme, etc.

Tax for the year

Tax for the year comprises current tax for the year on expected taxable income and deferred tax adjustment for the year. The tax expense for the year relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are, as a minimum, reimbursed by the administration company based on the current rates applicable to interest allowances, and jointly taxed entities having paid too little tax pay, as a maximum, a surcharge based on the current rates applicable to interest surcharges to the administration company.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost. Amortisation is made over the estimated economic life without the determination of a residual value.

Development projects

Development costs comprise expenses, salaries and amortisation charges directly attributable to development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Parent Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years.

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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 required 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 as other income or other expenses.

Investments

Non-current receivables, are measured at amortised cost.

Leases

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Company in the lease term, and when the Company in this connection obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of the future lease payments discounted by an incremental borrowing rate. The following lease payments are recognised as part of the lease liability:

- Fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Payments overdue subject to a residual value guarantee.
- Amounts expected to be payable under residual value guarantees.
- Exercise price of call options that it is highly probable that Management will exercise.
- Payments subject to an extension option that it is highly probable that the Company will exercise.
- Penalty related to a termination option unless it is highly probable that the Company will not exercise the option.

The lease liability is measured at amortised cost according to the effective interest method. The lease liability is recalculated when the underlying contractual cash flows change due to changes in an index or interest rate, if the Company's estimate of a residual value guarantee changes or if the Company changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

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1 Accounting policies (continued)

On initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease liabilities adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like less discounts or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an interest rate.

Leased assets are presented together with the Company's other fixed assets and are depreciated on a straight-line basis over the expected lease term. These terms are stated in the paragraphs for other fixed assets where the leased assets are included.

The Company has chosen not to recognise leased assets of a low value and short-term leases in the balance sheet. Instead, related lease payments are recognised on a straight-line basis in the income statement.

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. 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.

Receivables

Receivables are measured at amortised cost. Write-down for bad and doubtful debts is made in accordance with the simplified expected credit loss model according to which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the statement of financial position based on the expected loss in the useful life of the receivable.

Recognition as income of interest on impaired receivables is calculated based on the written-down value using the effective interest rate for the individual receivable or portfolio.

The simplified expected credit loss model is used for financial assets relating to trade receivables, leasing and contract assets according to which the expected loss over the useful life of the financial asset is recognised immediately in the income statement. The financial asset is monitored continuously according to the Company's risk management until realisation.

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1 Accounting policies (continued)

The impairment loss is estimated based on the expected loss ratio, which is estimated for financial assets by geographic location. The loss ratio is estimated based on historical data adjusted for estimates over the effect of expected changes in relevant parameters such as financial development, political risks, etc., in the relevant market.

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Prepayments

Prepayments comprise prepaid costs concerning subsequent financial years.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Equity

Reserve for development costs

Reserve for development costs comprise recognised development costs after tax, which are capitalised as intangible assets. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved when the recognised development costs are amortised or no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Lease liabilities

Lease liabilities are measured at the present value of the remaining lease payments, including any guaranteed residual value based on the interest rate implicit in the individual contract.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Prepayments received from customers

Prepayments received from customers include deferred revenue where payment has been received for later sales of goods and services but delivery has not yet taken place.

Other payables

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital, interest received and paid regarding operations as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

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2 Significant accounting estimates and judgments

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.

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

Recognition of revenue

The recognition of revenue related to goods and services purchased by insurers in Claimshop is an accounting judgement, as the interpretation of whether the Company acts as agent or principal involves interpretation of accounting guidance based on facts and circumstances for the transactions.

Management believes that the Company acts as an agent, as the Company does not control the specified good or service provided by another party before that good or service is transferred to the customer. Furthermore, the Company has no inventory risk. When the Company satisfies a performance obligation, the Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified good or service to be provided by the other party.

Impairment of software and capitalised development projects

Assessing whether there are indications of impairment on software and capitalised development projects requires judgement. 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.

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. Please refer to note 9.

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.

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DKK'000	2023	2022
3 Revenue		
Revenue from subscription agreements	166,304	130,697
Revenue from sale of customised software	12,241	14,484
Other revenue	2,653	3,314
	181,198	148,495
4 Employee cost and remuneration		
Wages and salaries	79,699	74,642
Pensions	4,069	184
Other social security costs	950	685
Other staff costs	5,270	7,095
Staff costs transferred to non-current assets	-3,724	-3,546
	86,264	79,060
Average number of employees in the year	97	94
Remuneration to Management		
Board of Directors and Executive Board	3,756	3,284
Key management employees	11,820	12,078
Total	15,576	15,362

Pension costs are included in the amounts above and comprise DKK 131 thousand for Board of Directors and Executive Board and DKK 1,700 thousand for Key management employees.

Executive Board and Key management employees are entitled to 6-9 months' salary upon resignation.

Executive Board and Key management employees are entitled to bonus dependant on various KPI's including financial performance.

Share-based payments

In 2020, the Parent Company, Scalepoint Technologies Holding A/S, established a warrant programme for key employees in the Company.

Each Warrant will provide the Warrant Holder with a right, but not an obligation, to subscribe for one (1) A-share of nominally DKK 1.00 against cash payment of DKK 642.0803 (i.e. a subscription rate of 64,208.03 per 100 A-shares) (the "Exercise Price"). The Exercise Price will remain fixed during the term of the Warrant Program 2020 – 2025.

Exercise of the Warrants is conditional on the warrant holders being employed or considered a "good leaver" at the time of exercise. There are no other conditions for the acquisition of warrants.

Each Warrant Holder can exercise his or her Warrants ordinarily during the period 1 January 2026 – 31st December 2030.

The Company may – following the Warrant Holder's notice of exercise of the Warrants – in its sole discretion decide that the Warrant Holder shall exercise his or her Warrants by full or partial settlement in treasury shares rather than subscribing for new shares; or to cash settle the Warrants so that the Warrant Holder, instead of receiving shares, receives a cash payment corresponding to the difference between the Exercise Price and the calculated market value of the Warrant Holder's part of the Company's shares.

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4 Employee cost and remuneration (continued)

Consequently, the incentive programme is cash settled in Scalepoint Technologies Holding A/S. All employees subject to the programme are employed in the subsidiary, Scalepoint Technologies Denmark A/S.

The subsidiary, Scalepoint Technolgoies Denmark A/S, is obligated to settle the programme to the parent company, and hence the programme is also considered cash-based in the subsidiary.

The warrant programme included 68,915 outstanding warrants at 31 December 2023.

The fair value of the programme is null, as the exercise price exceeds the estimated current fair valuation of the Company. The fair value of the Company is estimated using discounted cash flow models. Consequently, the cost recognized in the income statement is null for 2022 and 2023.

DKK'000	Number of warrants	Weighted average exercise price DKK'000	Fair value per warrant
Outstanding at January 2023	52,305	642	0
Granted during the year	16,610	642	0
Exercised during the year	0	0	0
Outstanding at December 2023	68,915	1,284	0

	DKK'000	2023	2022
5	Depreciations		
	Intangible assets	19,538	27,095
	Property, plant and equipment other than right of use asset	1,171	1,368
	Right of use assets	1,825	1,824
		22,534	30,287
6	Financial income		
	Interest income from group entities	410	443
	Other interest expenses	237	226
	Interest income, bank	4,341	0
		4,988	669
7	Financial expenses		
	Interest expenses, bank	59	1,446
	Interest expenses, group entities	13	18
	Interest expenses, lease liabilities	231	261
	Foreign exchange losses	300	731
		603	2,456

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DKK'000		2023	2022
8	Tax for the year		
	Estimated tax charge for the year	4.581	569
	Deferred tax adjustments in the year	-3,079	1,924
	Tax adjustments, prior years	2,753	0
		4,255	2,493
	Reconciliation of effective tax rate:		
	Profit/loss before tax	49,375	-10,293
	Tax computed on the profit before tax at a tax rate of 22%	10,862	-2,264
	Permanent differences	-164	-229
	Tax adjustment, prior years	-2,753	
	Tax losses utilized, not recognized prior years	-3,691	
	Total	4,255	-2,493
	Total - effective tax rate	8.6%	7.2%
	Deferred tax is made up as follows:		
	Intangible assets	-18,105	-14,074
	Property, plant and equipment	673	370
	Tax loss carry-forward	0	14,035
	Provisions	20,842	0
	Total deferred tax	3,410	331

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9 Intangible assets

2023

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress	Total
Cost at 1 January 2023	68,439	291,463	41,450	401,352
Additions during the year	0	0	27,529	27,529
Transfer	21,162	0	-21,162	0
Cost at 31 December 2023	89,601	291,463	47,817	428,881
Amortisation and impairment losses at 1 January 2023	47,709	279,254	0	326,963
Amortisation during the year	13,699	5,840	0	19,539
Amortisation and impairment losses at 31 December 2023	61,408	285,094	0	346,502
Carrying amount at 31 December 2023	28,193	6,369	47,817	82,379

2022

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress	Total
Cost at 1 January 2022	68,438	291,463	16,033	375,934
Additions during the year	0	0	25,417	25,417
Cost at 31 December 2022	68,438	291,463	41,450	401,351
Amortisation and impairment losses at 1 January 2022	27,392	272,476	0	299,868
Amortisation during the year	20,317	6,778	0	27,095
Amortisation and impairment losses at 31 December 2022	47,709	279,254	0	326,963
Carrying amount at 31 December 2022	20,729	12,209	41,450	74,388

Development projects

Development projects include development of the Company’s core systems, Core, Hub and ClaimShop. The related expenses primarily consist of internal expenses in the form of payroll costs and materials purchased, which are recorded in the Company's internal project module.

The new systems are expected to result in considerable competitive advantages and, thus, a significant increase in the Company's level of activity and results of operations.

In 2023, Management carried out an impairment test of the carrying amount of development projects in progress. The recoverable amount in the form of the value in use is deemed to exceed the carrying amount.

Expected cash flows included in the impairment test are based on a 2-year budget period that reflects existing budgets and forecasts in the budget period as well as a subsequent terminal period where growth rates are kept at 2.5%. The development in the budget period is based on the development over the past few years and includes expected intake and loss of customers. Costs have been projected based on the expected development in costs and wages.

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9 Intangible assets (continued)

The discount rate after tax applied is 20% in 2023 (2022: 8%). The determination is based on an analysis of the equity market's return requirements for similar companies.

If average annual growth in the budget period declines by 1.0 percentage point, this will not lead to any impairment. An increased return requirement of 1 percentage point will not lead to any impairment.

10 Property, plant and equipment

2023

DKK'000	Fixtures and fittings, other plant and equipment	Right-of-use assets (properties)	Total
Cost at 1 January 2023	19,928	17,690	37,618
Additions during the year	970	0	970
Cost at 31 December 2023	20,898	17,690	38,588
Amortisation at 1 January 2023	18,340	6,747	25,087
Depreciation during the year	1,171	1,824	2,995
Amortisation at 31 December 2023	19,511	8,571	28,082
Carrying amount at 31 December 2023	1,387	9,119	10,506

2022

DKK'000	Fixtures and fittings, other plant and equipment	Right-of-use assets (properties)	Total
Cost at 1 January 2022	19,269	17,690	36,959
Additions during the year	659	0	659
Cost at 31 December 2022	19,928	17,690	37,618
Amortisation at 1 January 2022	16,972	4,923	21,895
Depreciation during the year	1,368	1,824	3,192
Amortisation at 31 December 2022	18,340	6,747	25,087
Carrying amount at 31 December 2022	1,588	10,943	12,531

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11 Other non-current assets

2023

DKK'000	Other receivables	Deposits	Total
Cost at 1 January 2023	4,731	1,032	5,763
Additions during the year	237	40	277
Cost at 31 December 2023	4,968	1,072	6,040
Value adjustments at 1 January 2023	0	0	0
Value adjustments during the year	0	0	0
Value adjustments 31 December 2023	0	0	0
Carrying amount at 31 December 2023	4,968	1,072	6,040

2022

DKK'000	Other receivables	Deposits	Total
Cost at 1 January 2022	4,506	1,140	5,646
Additions during the year	225	0	225
Disposals during the year	0	-108	-108
Cost at 31 December 2022	4,731	1,032	5,763
Value adjustments at 1 January 2022	0	0	0
Value adjustments during the year	0	0	0
Value adjustment at 31 December 2022	0	0	0
Carrying amount at 31 December 2022	4,731	1,032	5,763

The net carrying value of other receivables is considered a reasonable approximation of fair value.

The Company's receivables have been reviewed for indications of impairment. No such indications were identified.

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12 Trade receivables

DKK'000	2023	2022
Trade receivables, gross	90,003	244,709
Provision for losses	-53	-12
	89,950	244,697

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

The Company's trade receivables have been reviewed for indications of impairment. No such indications were identified.

Due receivables not written down:

DKK'000	2023	2022
Overdue, less than 30 days	11,018	79,993
Overdue, more than 30 days	0	0
	11,018	79,993

13 Contract assets and contract liabilities

Selling price of work performed	2,644	6,087
Payments received on account	-833	0
	1,811	6,087
Deferred revenue	0	0
	1,811	6,087
Classified as follows:		
Contract assets	1,811	6.086
Contract liabilities	0	0
	1,811	6.086

14 Prepayments

Prepayments	1,480	1,442
Other	2,607	0
	4,087	1,442

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DKK'000		2023	2022
15	Cash and cash equivalent		
	Cash	122,093	25,296
	Restricted cash	189,131	134,233
	Total	311,224	159,529

Restricted cash are deposits, that the Company holds on behalf of the customers (insurance companies) and are therefore not available for general use by the Company.

16 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 one vote at the shareholders' meeting.

DKK'000		2023	2022
17	Non-current liabilities		
	Lease liabilities		
	Current	1,917	1,801
	Non-current	8,470	10,176
	Total lease liabilities	10,387	11,977
	Due 1-5 years	10,387	9,800
	Due after 5 years	0	2,177
	Total non-current liabilities	10,387	11,977

18 Debt to customers (insurance companies)

Debt to customers totals DKK 320,829 thousand (2022: DKK 365,230 thousand) and relates to cash deposits, that the company holds on behalf of the customers (insurance companies). Please refer to note 15.

		2023	2022
19	Other liabilities		
	Holiday allowances	2,626	2,643
	Other payables	11,078	16,499
	Other liabilities	13,704	19,142

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20 Contingent liabilities

The Danish companies are jointly taxed 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 joint taxation income.

The Company has issued guarantees for a total of DKK 3,820 thousand.

As collateral for guarantees of DKK 3,820 thousand, the Company has pledged Cash and cash equivalents representing a carrying amount of DKK 3,820 thousand.

21 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 in 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.

22 Financial risks and financial instruments

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 minimized its risk by only purchasing developer hours in EUR. 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's liquidity risks cover the risk that the Company 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 Company's earnings, and consequently, liquidity. The Company 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 indemnifications. At the end of 2023, the Company had available cash of DKK 311.2 million of which 188.1 million relates to the home content claims cash flow.

In 2023, the Company net current balance amounts to DKK -44.5 million. Updated financial projections, however, imply that the net current balance debt will be zeroed out during the period 2024 - 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, Management considers the current liquidity risk handled.

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22 Financial risks and financial instruments (continued)

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.

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

As at 31 December 2023

DKK'000	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Bank debt	104	0	0	0	104
Lease liabilities	1,917	1,998	6,472	0	10,387
Prepayments received from customers	92,903	0	0	0	92,903
Trade payables	34,272	0	0	0	34,272
Payables to group entities	852	0	0	0	852
Corporation tax payable	6,225	0	0	0	6,225
Debt to customers (insurance companies)	320,829	0	0	0	320,829
Other payables	13,704	0	0	0	13,704
Total	470,806	1,998	6,472	0	479,276

All financial liabilities at 31 December 2023 are measured at amortised cost.

As at 31 December 2022

DKK'000	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Bank debt	33	0	0	0	33
Lease liabilities	1,801	1,878	6,121	2,177	11,977
Prepayments received from customers	83,708	0	0	0	83,708
Trade payables	41,229	0	0	0	41,229
Payables to group entities	1,116	0	0	0	1,116
Corporation tax payables	0	0	0	0	0
Debt to customers (insurance companies)	365,230	0	0	0	365,230
Other payables	19,142	0	0	0	19,142
Total	512,259	1,878	6,121	2,177	522,435

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

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Notes

23 Related parties

Ownership

Scalepoint Technologies Holding A/S, 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.

The Company is included in the consolidated financial statements of Scalepoint Technologies Holding A/S as well as Crep 1 Aps.

Transactions with Executive Board and Key management employees

Remuneration of Management is disclosed in note 4.

Other receivables, which amounts to DKK 4,968 thousand, comprise long-term receivables to members of Executive Board and Key management. In 2023, the Company recognized DKK 235 thousand in interest income from the receivables.

Transactions with other related parties

Other than administration fee from group entities included in Other operating income and intercompany receivables and liabilities, there were no transactions with other related parties.

24 Events occurring after the balance sheet date

No significant events have occurred subsequent to the financial year.