

# New Dawn Holding ApS

c/o Lessor A/S  
Engholm Parkvej 8  
3450 Allerød  
Denmark

CVR no. 39 34 18 59

## Annual report 2020/21

The annual report was presented and approved at  
the Company's annual general meeting on

9 / 5 November 2021

Henrik Møller  
chairman

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New Dawn Holding ApS  
Annual report 2020/21  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of New Dawn Holding ApS for the financial year 1 June 2020 – 31 May 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 May 2021 and of the results of the Company's operations for the financial year 1 June 2020 – 31 May 2021.

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.

Allerød, ~~5 November 2021~~ 9 NOVEMBER 2021  
Executive Board:

  
\_\_\_\_\_  
Efrain Rivera  
CEO

Board of Directors:

  
\_\_\_\_\_  
Stephanie Lynn Schaeffer

  
\_\_\_\_\_  
Efrain Rivera



## Independent auditor's report

### To the shareholders of New Dawn Holding ApS

#### Opinion

We have audited the financial statements of New Dawn Holding ApS for the financial year 1 June 2020 – 31 May 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 May 2021 and of the results of the Company's operations for the financial year 1 June 2020 – 31 May 2021 in accordance with 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- 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 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.

### 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 form of 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 the work we have performed, 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.

Copenhagen, 9 November 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kim Schmidt  
State Authorised  
Public Accountant  
mne34552

**New Dawn Holding ApS**  
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## Management's review

### Company details

New Dawn Holding ApS  
c/o Lessor A/S  
Engholm Parkvej 8  
3450 Allerød  
Denmark

CVR no.:	39 34 18 59
Established:	16 February 2018
Registered office:	Allerød
Financial year:	1 June – 31 May

### Board of Directors

Stephanie Lynn Schaeffer  
Efrain Rivera

### Executive Board

Efrain Rivera, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
Denmark

## Management's review

### Operating review

#### Principal activities

The Company develops, markets and supports software and systems for the development and management of human resources and payroll. The Company's products are mainly sold in Denmark, The Netherlands and Germany.

#### Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK'000 -82,612 as against DKK'000 -96,067 in 2020. Equity in the Company's balance sheet at 31 May 2021 stood at DKK'000 779,209 as against DKK'000 861,821 at 31 May 2020.

#### Significant events

Purchase of new subsidiary

In December 2020 the group purchased a new subsidiaries, Emply ApS and Emply International ApS. These companies develop and support human resources management software and complement the existing product portfolio.

#### Special risks

The Company is not exposed to any special risks.

#### Environmental matters

The group's products do not have a negative environmental impact. The group has an environmentally friendly office building in Allerød with rainwater collection and geothermal heat.

#### Outlook for the coming year

The Company expects activity growth and a group revenue of approximately DKK 262 million in the new financial year for Lessor and Emply products. This growth will be driven by the continued expansion of the Emply and new Lessor and Danløn products.

#### Research and development activities

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

#### Intellectual capital

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

#### Events after the balance sheet date

There have been no events after the balance sheet date that has a significant impact on the assessment of the annual report.

## Financial statements 1 June – 31 May

### Income statement

DKK'000	Note	2020/21	2019/20
<b>Gross loss</b>		-211	-47
Depreciation, amortisation and impairment losses		-82,397	-82,397
<b>Operating loss</b>		-82,608	-82,444
Income from equity investments in group entities		-13,259	-13,631
Other financial expenses		-4	-3
<b>Loss before tax</b>		-95,871	-96,078
Tax on loss for the year		47	11
<b>Loss for the year</b>		-95,824	-96,067
<b>Proposed distribution of loss</b>			
Retained earnings		-95,824	-96,067
		-95,824	-96,067



## Financial statements 1 June – 31 May

### Balance sheet

DKK'000	Note	31/5 2021	31/5 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Investments</b>	2		
Equity investments in group entities		766,168	861,824
<b>Total fixed assets</b>		766,168	861,824
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		252	0
Deferred tax asset		4	4
Corporation tax		0	11
		256	15
<b>Cash at bank and in hand</b>		43	46
<b>Total current assets</b>		299	61
<b>TOTAL ASSETS</b>		766,467	861,885

## Financial statements 1 June – 31 May

### Balance sheet

DKK'000	Note	31/5 2021	31/5 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		1,010	1,010
Share premium		1,066,443	1,066,443
Retained earnings		<u>-301,456</u>	<u>-205,632</u>
<b>Total equity</b>		<u>765,997</u>	<u>861,821</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables to group entities		<u>96</u>	<u>64</u>
<b>Current liabilities</b>			
Prepayments received from customers		180	0
Corporation tax		<u>194</u>	<u>0</u>
		<u>374</u>	<u>0</u>
<b>Total liabilities</b>		<u>470</u>	<u>64</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>766,467</u>	<u>861,885</u>
<b>Contractual obligations, contingencies, etc.</b>	3		
<b>Related party disclosures</b>	4		

## Financial statements 1 June – 31 May

### Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 June 2020	1,010	1,066,443	-205,632	861,821
Transferred over the distribution of loss	0	0	-95,824	-95,824
<b>Equity at 31 May 2021</b>	<b>1,010</b>	<b>1,066,443</b>	<b>-301,456</b>	<b>765,997</b>

## Financial statements 1 June – 31 May

### Notes

#### 1 Accounting policies

The annual report of New Dawn Holding ApS for 2020/21 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of New Dawn Holding ApS and group entities are included in the consolidated financial statements of Paycheck Inc, 911 Panorama Trail South, Rochester, New York.

#### Foreign currency translation

The Company's reporting currency is DKK, every other currency is considered as foreign exchange.

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

## Financial statements 1 June – 31 May

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and 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 on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Equity investments in group entities

Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intragroup gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in subsidiaries with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for 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 value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

## Financial statements 1 June – 31 May

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Cash at bank and in hand

Cash at bank and in hand comprise cash.

#### Equity

##### *Net revaluation reserve according to the equity method*

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and associates in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve.

The reserve can be eliminated in case of loss, realisation of equity investments or changes to accounting estimates.

The reserve cannot be recognised at a negative amount.

#### Liabilities

Other liabilities are measured at net realisable value.

## Financial statements 1 June – 31 May

### Notes

#### 2 Investments

DKK'000	Equity Investments in group entities
Cost at 1 June 2020	957,852
Cost at 31 May 2021	957,852
Revaluations at 1 June 2020	-96,028
Net profit/loss for the year	-13,259
Depreciation of goodwill	-82,397
Revaluations 31 May 2021	-191,684
<b>Carrying amount at 31 May 2021</b>	<b>766,168</b>

Name	Registered office	Voting rights and ownership interest
Lessor Group ApS	Allerød	100%

New Dawn have acquired equity investments in Lessor Group (before merger at 31.05.2019 AX IV Holding III), which entailed recognition of a positive balance (goodwill) of 823.967 tDKK at 31.05.2020. The balance per 31.05.2021 amounts to 556.177 tDKK.

#### 3 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

## Financial statements 1 June – 31 May

### Notes

#### 4 Related party disclosures

New Dawn Holding ApS' related parties comprise the following:

##### Control

Paychex, Inc., 911 Panorama Tail South, Rochester, New York 14625-2396.

Paychex, Inc. holds the majority of the contributed capital in the Company.

New Dawn Holding ApS is part of the consolidated financial statements of Paychex, Inc, 911 Panorama Tail South, Rochester, New York 14625-2396, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Paychex, Inc. can be obtained by contacting the Company at the address above.