BUUS JENSEN
Statsautoriserede
Revisorer

adesso Denmark ApS

Herlev Hovedgade 195C, 2730 Herlev

Company reg. no. 39 88 53 44

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 13 June 2024.

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Maria Wäppling
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of adesso Denmark ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and 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 for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Herlev, 13 June 2024

Managing Director

Maria Wäppling

Board of directors

Hans Jörg Süess	Mark Lohweber	Maria Wäppling

Independent auditor's report

To the Shareholders of adesso Denmark ApS

Qualified Opinion

We have audited the financial statements of adesso Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” section of our report, 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 for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Qualified conclusion

The development projects included in the company´s opening balance for 2023 does not meet the criteria for capitalizing the costs according to the Danish Financial Statement Act. The company has not been able to present us with proper documentation regarding the costs included and the expected cash flow arisen from each individual project. The Company has recorded costs amounting to 1,313,621 DKK. In our opinion the costs should have been recorded in the profit and loss accounts in 2021.

In our opinion the Company should not have capitalized the development costs in 2022 that is recognized in the assets with 1,049,621 DKK hence there should not have been any depreciation recorded with 264,000 DKK. The effect on the result and equity would as a result be reduced with respectively 1,049,621 DKK and 1,049,621 DKK.

The Company´s development projects for 2023 are recorded in the assets with 785.621 DKK after depreciation of 528,000 DKK. In our opinion the Company does not meet the criteria for capitalizing the development projects. In our opinion the costs should have been recorded in the profit and loss accounts. The effect on the result and equity would as a result be reduced with respectively 785.621 DKK and 78.621 DKK.

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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 13 June 2024

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Benjamin Møller Obel
State Authorised Public Accountant
mne44149

Company information

The company	adesso Denmark ApS Herlev Hovedgade 195C 2730 Herlev	
	Company reg. no.	39 88 53 44
	Financial year:	1 January - 31 December
Board of directors	Hans Jörg Süess Mark Lohweber Maria Wäppling	
Managing Director	Maria Wäppling	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Parent company	adesso Sweden AB	

Description of key activities of the company

The company's purpose is to conduct business with the development, service and sale of technology-based products and services as well as related activities.

Uncertainties connected with recognition or measurement

Under Trade Receivables an amount of 410 t.kr is recognized. Uncertainty exists concerning the measurement as the trade receivables can refer to ongoing projects that have not been finally completed.

Development in activities and financial matters

The gross loss for the year totals DKK -1.781.000 against DKK 314.000 last year. Income or loss from ordinary activities after tax totals DKK -6.869.000 against DKK -3.935.000 last year. Management considers the net profit or loss for the year unsatisfactory.

The company's management has chosen to present the financial statements on the assumption of continued operations. The company has received a statement of support from the company's legal owner stating that the necessary liquidity for the coming year has been secured.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**-1.781.171**	**313.929**
3	Staff costs	-4.015.606	-3.619.628
	Amortisation and impairment of intangibleassets	-264.000	-318.464
	Operating profit	**-6.060.777**	**-3.624.163**
	Other financial income	2.932	0
4	Other financial expenses	-810.954	-310.477
	Pre-tax net profit or loss	**-6.868.799**	**-3.934.640**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-6.868.799**	**-3.934.640**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-6.868.799	-3.934.640
	Total allocations and transfers	**-6.868.799**	**-3.934.640**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2023	2022
	Non-current assets		
5	Completed development projects, including patents and similar rights arising from development projects	785.621	1.049.621
	Total intangible assets	785.621	1.049.621
	Total non-current assets	**785.621**	**1.049.621**
	Current assets		
	Trade receivables	555.190	1.679.310
	Contract work in progress	0	96.400
	Income tax receivables	6.000	0
	Other receivables	371.110	336.587
	Prepayments	108.015	65.990
	Total receivables	1.040.315	2.178.287
	Cash and cash equivalents	749.902	275.382
	Total current assets	**1.790.217**	**2.453.669**
	Total assets	**2.575.838**	**3.503.290**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	50.000	50.000
	Retained earnings	-10.689.632	-3.820.833
	Total equity	**-10.639.632**	**-3.770.833**
	Liabilities other than provisions		
	Trade payables	94.267	0
	Payables to group enterprises	12.653.088	6.145.747
	Other payables	468.115	1.128.376
	Total short term liabilities other than provisions	13.215.470	7.274.123
	Total liabilities other than provisions	**13.215.470**	**7.274.123**
	Total equity and liabilities	**2.575.838**	**3.503.290**

1 Uncertainties relating to going concern

2 Uncertainties concerning recognition and measurement

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	50.000	113.807	163.807
Retained earnings for the year	0	-3.934.640	-3.934.640
Equity 1 January 2022	50.000	-3.820.833	-3.770.833
Retained earnings for the year	0	-6.868.799	-6.868.799
	50.000	**-10.689.632**	**-10.639.632**

All amounts in DKK.

	2023	2022

1. Uncertainties relating to going concern

The company's management has chosen to present the financial statements on the assumption of continued operations. The company has received a statement of support from the company's legal owner stating that the necessary liquidity for the coming year has been secured.

2. Uncertainties concerning recognition and measurement

Under Trade Receivables an amount of 410 tkr is recognized. Uncertainty exists concerning the measurement as the trade receivables can refer to ongoing projects that have not been finally completed.

3. Staff costs

	2023	2022
Salaries and wages	3.525.161	3.301.941
Pension costs	421.650	280.459
Other costs for social security	68.795	37.228
	4.015.606	**3.619.628**
Average number of employees	6	6

4. Other financial expenses

	2023	2022
Financial costs, group enterprises	807.877	308.285
Other financial costs	3.077	2.192
	810.954	**310.477**

5. Completed development projects, including patents and similar rights arising from development projects

	2023	2022
Cost 1 January 2023	1.313.621	1.313.621
Cost 31 December 2023	**1.313.621**	**1.313.621**
Amortisation and write-down 1 January 2023	-264.000	0
Amortisation and depreciation for the year	-264.000	-264.000
Amortisation and write-down 31 December 2023	**-528.000**	**-264.000**
Carrying amount, 31 December 2023	**785.621**	**1.049.621**

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	210

Other contingent liabilities:

As a result of late reporting to the authorities, a fine from the authorities is expected at the level of DKK 125.000 - 250.000.

The annual report for adesso Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

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

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.