

RelateIT Holding A/S

Jernbanegade 1, 2., 5000 Odense C

CVR no. 40 15 77 51

Annual report 2023

Approved at the Company's annual general meeting on 6 May 2024

Chair of the meeting:

.....
Simon Eglin Berthelsen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of RelateIT Holding A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with 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 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.

Odense, 6 May 2024
Executive Board:

.....
Simon Eglin Berthelsen
Adm. dir.

Board of Directors:

.....
Lars Engell Berthelsen
Chairman

.....
Svend Stenberg Mølholt

.....
Philip Lykke Christensen

.....
Ole Nielsen

.....
Katrine Sundgaard
Christensen

Independent auditor's report

To the shareholders of RelateIT Holding A/S

Opinion

We have audited the financial statements of RelateIT Holding A/S for the financial year 1 January - 31 December 2023, which comprise 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 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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with 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.

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 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 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 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 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.

Independent auditor's report

- ▶ 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 6 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Louise Greve
State Authorised Public Accountant
mne48485

Management's review

Company details

Name	RelateIT Holding A/S
Address, Postal code, City	Jernbanegade 1, 2., 5000 Odense C
CVR no.	40 15 77 51
Established	1 January 2019
Registered office	Odense
Financial year	1 January - 31 December
Board of Directors	Lars Engell Berthelsen, Chairman Svend Stenberg Mølholt Philip Lykke Christensen Ole Nielsen Katrine Sundgaard Christensen
Executive Board	Simon Eglin Berthelsen, Adm. dir.
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management commentary

Business review

The main activity of the Company is investment activity in subsidiaries, within IT consultancy that focus on ERP solutions.

Financial review

The income statement for 2023 shows a profit of DKK 18,088,125 against a profit of DKK 8,415,556 last year, and the balance sheet at 31 December 2023 shows equity of DKK 48,931,787. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Other external expenses	-132,838	-203,686
	Gross profit	-132,838	-203,686
	Income from investments in group enterprises	18,235,293	8,601,923
3	Financial expenses	-36,659	-15,337
	Profit before tax	18,065,796	8,382,900
4	Tax for the year	22,329	32,656
	Profit for the year	18,088,125	8,415,556
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	12,750,000
	Net revaluation reserve according to the equity method	9,769,258	0
	Retained earnings/accumulated loss	8,318,867	-4,334,444
		18,088,125	8,415,556

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
5	Investments		
	Investments in group enterprises	49,630,520	40,001,084
		<u>49,630,520</u>	<u>40,001,084</u>
	Total fixed assets	<u>49,630,520</u>	<u>40,001,084</u>
	Non-fixed assets		
	Receivables		
	Corporation tax receivable	24,199	59,890
	Joint taxation contribution receivable	13,090	0
	Other receivables	44,930	0
		<u>82,219</u>	<u>59,890</u>
	Cash	<u>195,995</u>	<u>0</u>
	Total non-fixed assets	<u>278,214</u>	<u>59,890</u>
	TOTAL ASSETS	<u>49,908,734</u>	<u>40,060,974</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	555,555	500,000
	Net revaluation reserve according to the equity method	9,524,694	0
	Retained earnings	38,851,538	26,182,671
	Dividend proposed	0	12,750,000
	Total equity	<u>48,931,787</u>	<u>39,432,671</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	23,907	62,781
	Payables to group enterprises	953,040	565,522
		<u>976,947</u>	<u>628,303</u>
	Total liabilities other than provisions	<u>976,947</u>	<u>628,303</u>
	TOTAL EQUITY AND LIABILITIES	<u>49,908,734</u>	<u>40,060,974</u>

- 1 Accounting policies
- 2 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed	Total
Equity at 1 January 2022	500,000	0	30,517,115	6,000,000	37,017,115
Transfer through appropriation of profit	0	0	-4,334,444	12,750,000	8,415,556
Dividend distributed	0	0	0	-6,000,000	-6,000,000
Equity at 1 January 2023	500,000	0	26,182,671	12,750,000	39,432,671
Capital increase	55,555	0	0	0	55,555
Transfer through appropriation of profit	0	9,769,258	8,318,867	0	18,088,125
Adjustment of investments through foreign exchange adjustments	0	-244,564	0	0	-244,564
Dividend	0	0	4,350,000	-4,350,000	0
Dividend distributed	0	0	0	-8,400,000	-8,400,000
Equity at 31 December 2023	555,555	9,524,694	38,851,538	0	48,931,787

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of RelateIT Holding A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, realised and unrealised capital gains and losses relating to other securities and investments.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised 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 reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in group entities

Equity investments in group entities are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period used is 10 year

Dividend received is deducted from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2023	2022
3 Financial expenses		
Interest expenses, group entities	36,659	15,337
	<u>36,659</u>	<u>15,337</u>
4 Tax for the year		
Estimated tax charge for the year	-37,289	-59,890
Tax adjustments, prior years	14,960	27,234
	<u>-22,329</u>	<u>-32,656</u>

5 Investments

DKK	Investments in group enterprises
Cost at 1 January 2023	40,106,506
Foreign exchange adjustments	-680
Cost at 31 December 2023	<u>40,105,826</u>
Value adjustments at 1 January 2023	-105,422
Foreign exchange adjustments	-243,884
Dividend received	-8,361,293
Profit/loss for the year	20,687,209
Value adjustments for the year	-2,451,916
Value adjustments at 31 December 2023	<u>9,524,694</u>
Carrying amount at 31 December 2023	<u>49,630,520</u>

Goodwill recognised at 31 December 2023 amounts to DKK 12,259,582.

Group entities

Name	Legal form	Domicile	Interest
Twoday RelateIT A/S	A/S	Odense, Denmark	100.00%
RelateIT DMCC	DMCC	Dubai, United Arabic Emirates	100.00%
XtensionIT ApS	ApS	Odense, Denmark	100.00%

6 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Twoday Holding Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2023 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 01 September 2023.

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Twoday Holding Denmark ApS	Copenhagen	Parent preparing consolidated financial statements for the smallest group

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Signers

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  Svend Stenberg Mølholt 4bf069e2-52ba-4b25-9a45-dba29b7a4920 2024-05-07 09:00:39Z	  Ole Nielsen 7b85937a-6862-47e4-9c08-62ddc927194b 2024-05-07 09:17:25Z
  Simon Eglin Berthelsen Managing Director 68265612-d69a-4f42-8fd5-2f8979c41897 2024-05-07 09:30:25Z	  Louise Egebæk Greve 9f70d625-6108-451d-a5e8-1fd600c64ab9 2024-05-07 11:19:03Z
  Lars Engell Berthelsen Managing Director d633e749-7580-4677-890b-83600de08951 2024-05-12 20:24:26Z	



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Documents in the transaction

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XtensionIT ApS - 2023 Long-form audit report.pdf	SHA256: 6e83bd80531581bc20d2c4d1978b33cc6da18f9216312eb3e018770d4662b22e
RelateIT Holding AS - 2023 Annual Report.pdf	SHA256: bd84fafa76e77e69c2731280d4b137842f47d8f86dc7e483e34aff3f514301c
RelateIT Holding AS - 2023 Tax Schedule.pdf	SHA256: 71db82f502e3cce8ccc81d9480da2a232144465cea610e19af3e2908e1caa7d7f
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RelateIT Holding AS - 2023 Representation letter.pdf	SHA256: 3c3f7a4e4ce27d8bbf5c113dfe450110fe69f6f4915689dd44eafacd70cf5751
twoday RelateIT AS - 2023 Representation letter.pdf	SHA256: 7141a44fd754ffee31a5fe1bc96e8f1c172f52645c01f1e4e27c80397e1ba4bc
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twoday RelateIT AS - 2023 Tax Schedule.pdf	SHA256: 4dce62be8987040ebe554f6d2e27e26bf452a0d2a1a4c07f2443478f83ff6dbf
XtensionIT ApS - 2023 Representation letter.pdf	SHA256: 1eb4c39f6ec4c43246b8e299b3f0386597955ad1f5aca66168276290e1dbb6c9
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