P-Esoft 2022 A/S

Scandiagade 8, 6., 2450 København SV

CVR no. 41 24 14 54

Annual report 2023

Approved at the Company's annual general meeting on 3 May 2024

Chair of the meeting:

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Martin Adrian Møller

Contents

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 P-Esoft 2022 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations and of the 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, 3 May 2024
Executive Board:

Henrik Bonnerup
CEO

Board of Directors:

Allan Bach Pedersen Chairman	Jan Johan Kühl	Rune Lillie Gornitzka

Independent auditor's report

To the shareholders of P-Esoft 2022 A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of P-Esoft 2022 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, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 Group and the Parent Company at 31 December 2023, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Odense, 3 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

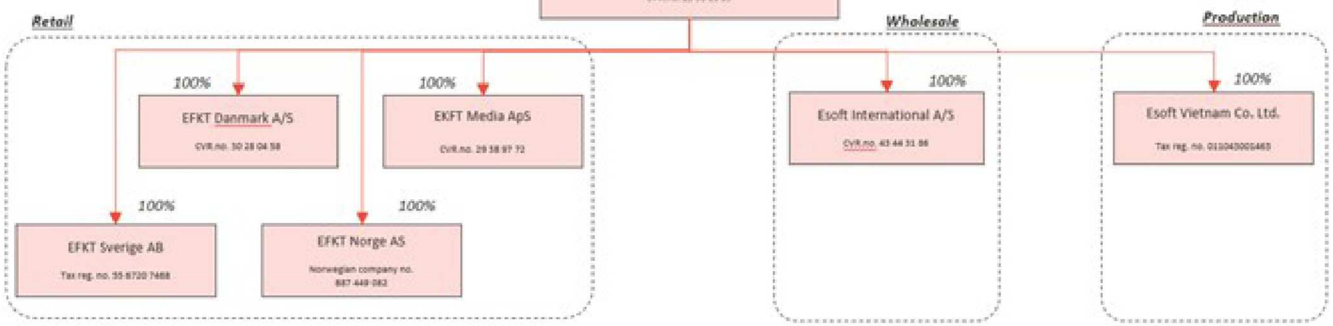
Management's review

Company details

Name	P-Esoft 2022 A/S
Address, Postal code, City	Scandiagade 8, 6., 2450 København SV
CVR no.	41 24 14 54
Established	9 March 2020
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Allan Bach Pedersen, Chairman Jan Johan Kühl Rune Lillie Gornitzka
Executive Board	Henrik Bonnerup, CEO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021
Key figures			
Revenue	303,205	138,841	0
Gross profit	123,707	51,824	-87
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	15,289	-15,986	-87
Operating profit/loss	-17,606	-31,982	-87
Normalized EBITDA	15,351	10,493	0
Net financials	-18,365	-5,526	-14
Profit/loss for the year	-32,573	-36,798	-101
Total assets	430,782	453,402	954
Investments in property, plant and equipment	5,694	1,506	0
Equity	170,829	196,412	894
Cash flows from operating activities	-16,492	3,755	-93
Net cash flows from investing activities	-13,964	-405,894	0
Cash flows from financing activities	27,137	421,693	570
Total cash flows	-3,319	19,554	477
Financial ratios			
Operating margin	-5.8%	-23.0%	0.0%
Gross margin	40.8%	37.3%	0.0%
EBITDA-margin	5.0%	-11.5%	0.0%
Return on assets	-4.0%	-14.1%	-9.1%
Current ratio	46.5%	62.6%	0.0%
Equity ratio	32.3%	34.8%	93.7%
Return on equity	-18.5%	-28.2%	-11.3%
Average number of full-time employees	**764**	**961**	**0**

Gender composition of management

Supreme governing body	
Total number of members	3
Underrepresented gender in %	0
Target figure in %	15
Year in which the target figure is expected to be met	2024

Other levels of management	
Total number of members	27
Underrepresented gender in %	22
Target figure in %	30
Year in which the target figure is expected to be met	2026

The quantitative disclosures on the gender composition of management are provided under a separate heading in the Management's review below.

For terms and definitions, please see the accounting policies.

For 2022, consolidated figures for the Group includes 8 months of the Esoft Systems A/S Group.

Management's review

Data ethics

It is a priority for the Group to offer customers the highest level of security and contingency as well as proper and ethical usage of data protecting both customers, vendors and the Group itself.
To further strengthen the Group’s focus on quality, security and compliance, the Group has started the process for certifications to be obtained in 2023 of ISO 27001.

Business review

P-Esoft 2022 A/S and its subsidiaries represent one of the leading players in real estate marketing. The principal activities of the Group are to market real estate, primarily for realtors and photographers. The Group also offers a full-service concept based on a tech platform that handles photography, film and text production, AI-based digital marketing, and other related business in most of the world.

The Group has been headquartered in Odense throughout 2023. However, in Q2 2024, the headquarters will move from Odense to Copenhagen. The retail operations are in Denmark, Sweden, and Norway; wholesale operations are based in Denmark, and production is in Hanoi, Vietnam.

To adhere to our commitment to transparency and compliance, Esoft HoldCo A/S ensures that all reporting practices, including those concerning our group structure and operations, are conducted with clarity and are accessible for review. This commitment aligns with our efforts to maintain the highest standards of corporate governance.

Retail

The Retail business is a commercial entity that focuses on delivering end-to-end digital marketing solutions for real estate agents in Denmark, Sweden, and Norway. This includes the entire value chain with regards to real estate marketing:

Photography, film, floorplans, and copywriting for real estate (listings); editing and refining of raw materials, seamless integration to real estate agents’ case systems, activation of content via an automated data management platform (called “Shine”), and tailored branding and media activation in digital channels.

The Nordic footprint have been strengthened throughout 2023 partly due to organic growth and acquisitions. In September 2023 all existing and acquired businesses where rebranded into the new pan-Nordic brand “EFKT. The new name emphasizes and underpins our license to operate; “To create measurable and documented effect via marketing solutions for realtors” enabling our customers to:

- Get invited to more valuation of properties.
- Win more commissions.
- Increase turnover time of commissioned properties.

The revised value proposition and the rebranding was well received amongst exiting customers and prospects.

Wholesale

The Wholesale business is a commercial entity and focuses on real estate photographer networks and independent photographers around the world (outside the Nordics). The Wholesale business sells products and solutions that offer efficiency, seamlessness, quality, and consistency to customers. The business unit functions as “one-stop-shop” for Wholesale customers and can support them in scaling their businesses. In the Wholesale business unit, inspiration for new product development is taken from the Group’s own Retail business; learning from the most digitally mature real estate markets in the world.

In 2023, focus has been on creating and growing several key partnerships with leading stakeholders in the vertical. Also, the focus has been on supporting Esoft’s current Wholesale customers to remain competitive in their segment by product and solution development. The work of diversifying the business model continues with the first implementations expected to take place in 2024.

Management's review

Production

The Production business unit continues to be the backbone of the Group's Retail and Wholesale business and focuses on the refinement of content delivered by the Retail business and Wholesale customers. The Production unit delivers seamless, high quality, high consistency and on time content.

2023 was a strong year for production recording a significant improvement in contribution margin because of further automation and streamlining of production processes and resources.

We started the implementation of an ambitious but much needed production execution plan to transition our production set-up from a human-based model supported by tech to a tech driven model supported by human.

The plan focuses on 5 key initiatives.

Transition into a product focused organization. To ensure that right focus on development and optimization, production has been split into 4 production lines covering 4 main product categories. Each production line is led by a production line manager reporting to our VP of Production.

Harvest real efficiency gains from optimized workforce configuration. In 2023, we saw a steady reduction in full time head count in production partly due to an increase in workload outsourced. Furthermore, we have strengthened our scalability by extending our pool of freelance resources and have embarked on a vendor strategy, establishing partnerships with several post-production companies in Vietnam and India so far. As a result, we are in a better position to handle seasonality and optimize the utilization of in-house resources.

Strengthen AI/automation model and convert progress into efficiency gains. New AI solutions in our photo production has allowed for most (76%) photo content to touched by our AI technology, and we expect to increase the percentage in 2024. An AI excellence team has been established and is pushing for the most optimal way of working with our AI output – this to document and train both in-house and external production resources to reduce our unit cost.

Build cloud-based production platform and online editor's portal. The scoping of a new cloud-based production platform tailored to the processes that still require human intervention has begun. Discussions around the future production resource structure including compensation model were initiated.

Scale use of external technology and production vendors. To further enhance our efficiency and quality, we are also looking into relevant external technologies. Our floor plan production is shifting to new and more automated solutions while we are researching the right technology to support the transformation of our video and 3D production.

Number of employees

At year-end 2023, the Group had 801 employees. We entered the year with 952 employees in the Group. The 2023 average for the Group ended at 869 employees.

Unusual matters having affected the financial statements

There have been no unusual circumstances which should be referred to in relation to the accounts.

Management's review

Financial review

The Group's revenue amounted to DKK 303,205 thousand, representing an increase of 118.38% over the Group's revenue of DKK 138,841 thousand in 2022.

EBITDA amounted to DKK 15,289 thousand (2022: DKK -15.986 thousand), reflecting a turnaround from last year's negative result.

In 2023, a focus has been on the anticipated integration of the Norwegian player, originally planned for execution in 2023. Although the full integration has been postponed.

The Group incurred significant costs related to integration and reorganization.

Shareholders' equity amounted to DKK 170,829 thousand (2022: DKK 196,412 thousand), and consolidated assets to DKK 430,782 thousand (2022: DKK 453,402 thousand).

At year-end 2023, cash and non-utilized credit facilities amounted to approx. DKK 17,585 thousand.

Financial risks and use of financial instruments

Market Risks

As stated under the Market Outlook section above, the Group is vulnerable in uncertain market conditions and low activity on real estate markets around the world. Should interest rates increase to even higher levels and consumer confidence further plummet in its core markets, resulting in significantly fewer real estate listing than expected, the financial results of the Group are potentially affected.

Currency Risks

Foreign activities mean that profit, cash flow and equity are affected by the exchange rate development between DKK, SEK, NOK, USD, VND and EUR. Exchange rate fluctuations related to the translation of the result and inter Group balance of foreign subsidiaries at the balance sheet date constitute a risk. No hedging is performed to meet fluctuations unless the risk is considered substantial.

Interest Rate Risks

As the net interest-bearing debt has not represented a substantial amount historically, moderate fluctuations in the interest rate level will not have a significant impact on the profit. For the year 2022, there was significant development in short term interest rates around the world. Currently no hedging is performed, however, Management will continuously assess the risk and to the extent of the assessed risk perform relevant hedging.

Credit Risks

The Group's credit risks related to trade receivables are included in the balance sheet. Management has at year-end assessed the risks related to trade receivables and has made relevant provision for losses.

Management's review

Employee Risks

Having the right competencies with adequate experience is vital. Therefore, it is important that the Group continues to attract, retain and develop skilled employees. Failure to do so has the potential to negatively impact the expected development of the Group.

Supplier Risks

The Group is not dependent on individual suppliers, and the supplier risk is assessed as limited.

IT Risks

The Group depends on Information Technology to manage critical business processes, ranging from sales, production, to administrative and financial functions. The Group uses IT systems for internal purposes and externally for its customers. Extensive disruption of IT systems could have a negative effect on the Group.

Compliance

The Group prioritizes offering customers the highest level of security and contingency, as well as the proper and ethical usage of data, to protect customers, vendors, and the Group itself. In recent years, several organizational changes have been implemented to ensure compliance, including relocating the Wholesale business to the HQ location in Denmark.

To further strengthen the Group's focus on quality, security and compliance, the Group has obtained ISO 27001 and ISO 9001 in Production business unit in 2023 and ISO 27001 is planned for Retail business unit in 2024.

Research and development activities

Research and development activities primarily include own software development with focus on AI and state-of-the-art infrastructure. In the financial year, software development corresponding to DKK 10,1 million is capitalized. The Group continuously invests in the development of its central IT infrastructure and AI, which is a key lever in the continued successful development of the Group.

Statutory CSR report

Our Commitment

The Group's commitment to corporate social responsibility is founded on respect for internationally recognized principles for sustainable development, human rights (including labor rights), the environment, business ethics and the UN Global Compact principles as expressed in the UNGPs/OECD Guidelines. This commitment is integrated into the Group's strategy and business operations.

The Group has conducted an impact assessment (risk assessment) and accordingly updated its ESG Strategy. This process included the formulation of a Sustainability Statement, as well as the selection of ESG and sustainability KPIs relevant to the Group, both of which have received approval from the Board of Directors.

Management's review

Sustainability Statement

In Esoft, we are a passionate, action-oriented team that purposefully help real estate agents to market and sell properties. With over 20 years of experience delivering media solutions and effective marketing tools to brokers around the world, we know what we are talking about. We are working diligently to set tomorrow's global standards for how we conduct our business including IT security, system reliability and customer service. We live our values of quality, credibility, openness, innovation, care, and passion every day, in our engagement with our customers, suppliers, and most importantly, with each other.

Our presence in the Nordics and Vietnam influence how we perceive our responsibility towards our employees and communities.

For Esoft, sustainability means:

Ensuring that we have a diverse and skilled workforce: Our strong focus on always delivering high and consistent quality means that we prioritize development of the right competences. We have a strong focus on training and upskilling of our employees and ensuring that we have a diverse organization in terms of gender and people with determination.

Ensuring a good work environment for our employees: A good work environment and strong sense of community is an important value proposition across our organization. Across the entire organization, we build on our Nordic values and tradition for employee benefits (such as private health insurance and subsidized canteen), and thereby provide above standard work environment for our employees outside the Nordics. The main risk that Esoft faces when trying to secure a healthy and safe working environment while ensuring our employee´s well-being is their physical and mental well-being.

To strengthen our work environment, especially in Vietnam, we have had several workshops focusing on how to improve this. In 2024 we will continue doing workshops focusing on work environment and employee conditions.

Reducing the environmental impact of our operations: The environmental footprint of our operations is mainly related to emissions from our car fleet when driving out to customers, our IT hardware setup and our business travel. The Group's CO2 baseline is established, and we are continuously working on reducing the footprint from our operations. Our overall ambition is to run operations as environmentally friendly as possible.

In 2024, we are going to invest money in electrical vehicles and energy efficient technology.

Ensuring that we have good governance in place: We have a strong focus on running our business responsibly and ensuring that we have good governance in place and respect human rights. The main risk in terms of respecting human rights is first and foremost data privacy and security due to our business handling large amounts of data on behalf of our customers. As a large part of our operation is in Vietnam, which generally ranks low on Transparency International's Corruption Perception Index, this has been of specific importance throughout Esoft's history.

In 2023, the Group held several sessions regarding data privacy and security to strengthen the focus on human rights. No human rights violations have been registered in 2023. For 2024 the Group will continue to train regarding data privacy and other human rights aspects.

In 2023, we have informed all our current and in-scope business partners about our anti-corruption policy. In 2023, there has not been identified any cases of corruption or bribery. In the future, we will communicate our guidelines and expectations regarding anticorruption to employees and business relations through of our code of conducts.

Support local community in Vietnam: Over the past 15 years we have built a sustainable model around training and employing disadvantaged people in the community here under people with determination. We do this in collaboration with local NGOs and educational institutions in our community. We are satisfied with our efforts regarding our work with social and employee condition in 2023.

Management's review

Governance

The Board of Directors and the Executive Board work constantly to ensure that appropriate and sufficient control systems are in place, managed by a robust management team structure. The Board of Directors and the Executive Board have a number of duties that are defined by the Companies Act, the Danish Financial Statements Act and the Articles of Association and Rules of Procedure for the Board of Directors, among other regulations and policies. On this basis, the necessary internal procedures are continually being developed, refined, and maintained to ensure active, reliable and profitable management of the Group.

The Board of Directors ensures that the Executive Board complies with the approved objectives, strategies, business procedures and rules of procedure for the Executive Board. The information presented to the Board of Directors is provided systematically before and during meetings, as well as in written and verbal reports.

The topics of these reports include market development and the Group's development and profitability. The Board of Directors and the Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

The Board of Directors of the Group meet at least six times a year. Furthermore, information about the Group, results and financial position is shared with the Board of Directors on a regular basis (monthly). If relevant, extraordinary meetings are held.

Audit and risk committee

The board and management have discussed the need for an audit and risk committee and have assessed that it is not relevant at this time given the size of the company.

Remuneration to Management and the Board of Directors

To attract and retain the Group's management competencies, the remuneration of Management, senior employees and the Board of Directors is based on tasks, value creation and conditions in comparable companies. An incentive program has been implemented in the form of bonus schemes and share and warrant-based incentive programs for key employees.

The statutory CSR report is published on the Company's website:

https://esoft.com/esg/

Management's review

Report on the gender composition of Management

In the current financial year, we made concerted efforts to identify potential candidates for the Board of Directors, actively seeking qualified individuals, including those from underrepresented gender, to enhance diversity. We expect to expand the Board of Directors from 5 to 6 members by 2025 actively seeking a candidate from the underrepresented gender.

The Group's overall policy is to employ and promote the most qualified people, regardless of gender, and to give equal access to leadership positions to all qualified candidates. To facilitate this, at least one female applicant must be invited to all job interviews, assuming qualified female applicants are available. In the current financial year, the company actively implemented targeted recruitment strategies to enhance gender diversity in management positions. Efforts were made to source diverse candidates, including those of the underrepresented gender, for managerial roles. Despite these initiatives, there were limited applications or suitable candidates from the underrepresented gender for the available management positions.

Supreme governing body

In 2023, the Board of Directors had 0% representation of the underrepresented gender. The supreme governing body is committed to changing this by increasing the presence of the underrepresented gender to 15% in 2025, and further to 33% from 2026 to 2027, with the goal of achieving 40% by 2028.

Other levels of management

The representation of women in leadership positions and with personnel management responsibility was 21,5% by the end of 2023. The Group is dedicated to improving this percentage and has set a target of 30%, expected to be achieved by 2026. Our commitment to promoting gender diversity in leadership will extend beyond this target as we aim to reach 40% by 2028.

Events after the balance sheet date

Subsequent to the reporting period, the Group has acquired 100% of Zigna ApS in Q1 2024. Some non-recurring expenses related to this acquisition is recorded in the annual report of 2023 anticipated to impact the financial results in a minor degree. We believe this acquisition, despite its short-term financial impacts, aligns with our long-term strategic goals and will contribute positively to our future growth and market positioning.

Outlook

2023 once again proved to be a turbulent year for real estate markets worldwide. The trend of declining activity in the housing markets continued in 2023. The war in Ukraine and the global economic uncertainty combined with high energy prices, high inflation and high interest rates, the market maintained on a negative trend. The expectations of a stabilization did not materialize.

Economists expect, after 2 years of headwinds, that real estate markets around the world will recover modestly in 2024. Many sellers and buyers have been hesitant in the last few years and therefore a saved volume is expected to be released when interest rates find a more attractive level.

Expectations for interest rate trends in our main markets for 2024 indicate that they will decline, contrary to the recent development. We therefore foresee a stabilization of the markets and perhaps a minor recovery.

In 2024, as in 2023, the focus will still be on harvesting synergies from the acquired targets in the Retail business and growing the Nordic business further. In the Wholesale industry, the focus will be on continuing to win new customers and offer products and solutions that help clients to develop and grow their business. Strengthening the strategic partnerships with industry leading players is also an area that has our focus. In Production, we will continue to work to improve quality and harvest efficiency gains from our self-developed AI-services and -solutions.

Due to the potentially improved conditions globally and a macroeconomic environment that provides some tailwind for the housing market, the group expects a double-digit growth in revenue in 2023.

As part of the strategy, the group is continuously in dialogue with potential acquisition targets, which will also be a focus area in 2024.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	Revenue	303,205	138,841	0	0
	Cost of sales	-93,568	-40,579	0	0
	Other operating income	88	0	0	0
	Other external expenses	-86,018	-46,438	-62	-1,125
	Gross profit	123,707	51,824	-62	-1,125
4	Staff costs	-108,418	-67,810	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-32,807	-15,996	0	0
	Profit/loss before net financials	-17,518	-31,982	-62	-1,125
	Income from investments in group enterprises	0	0	-27,360	-21,490
5	Financial income	2,151	3,708	13	0
6	Financial expenses	-20,516	-9,234	0	-7
	Profit/loss before tax	-35,883	-37,508	-27,409	-22,622
7	Tax for the year	3,310	710	11	249
	Profit/loss for the year	-32,573	-36,798	-27,398	-22,373
	Specification of the Group's results of operations:				
	Shareholders in P-Esoft 2022 A/S	-27,398	-22,373		
	Non-controlling interests	-5,175	-14,425		
		-32,573	-36,798		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	ASSETS				
	Fixed assets				
9	**Intangible assets**				
	Completed development projects	14,947	8,442	0	0
	Patent and brand	7,374	7,920	0	0
	Customer relationships	170,023	184,360	0	0
	Goodwill	184,874	198,640	0	0
		377,218	399,362	0	0
10	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	5,610	5,626	0	0
	Leasehold improvements	56	278	0	0
		5,666	5,904	0	0
11	**Investments**				
	Investments in group enterprises	0	0	128,336	156,811
	Other receivables	1,286	1,115	0	0
	Deposits, investments	1,706	1,021	0	0
		2,992	2,136	128,336	156,811
	Total fixed assets	385,876	407,402	128,336	156,811
	Non-fixed assets				
	Receivables				
	Trade receivables	21,873	17,611	0	0
	Receivables from group enterprises	0	0	10,000	0
13	Deferred tax assets	0	0	260	249
	Other receivables	4,137	6,449	0	0
	Prepayments	1,707	1,432	0	0
		27,717	25,492	10,260	249
	Cash	17,189	20,508	602	651
	Total non-fixed assets	44,906	46,000	10,862	900
	TOTAL ASSETS	430,782	453,402	139,198	157,711

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	19,931	18,931	19,931	18,931
	Translation reserve	-1,039	76	0	0
	Retained earnings	120,293	138,691	119,254	138,767
	Shareholders in P-Esoft 2022 A/S' share of equity	139,185	157,698	139,185	157,698
	Non-controlling interests	31,644	38,714	0	0
	Total equity	170,829	196,412	139,185	157,698
	Provisions				
13	Deferred tax	19,716	26,257	0	0
	Total provisions	19,716	26,257	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Other credit institutions	77,395	95,189	0	0
	Payables to shareholders and Management	66,265	62,101	0	0
		143,660	157,290	0	0
	Current liabilities other than provisions				
14	Short-term part of long-term liabilities other than provisions	18,400	18,400	0	0
	Bank debt	43,501	13,686	0	0
	Trade payables	8,211	5,396	0	0
	Corporation tax payable	575	451	0	0
	Joint taxation contribution payable	1,730	1,004	0	0
15	Other payables	22,861	33,011	13	13
	Deferred income	1,299	1,495	0	0
		96,577	73,443	13	13
	Total liabilities other than provisions	240,237	230,733	13	13
	TOTAL EQUITY AND LIABILITIES	430,782	453,402	139,198	157,711

1 Accounting policies
2 Events after the balance sheet date
3 Special items
8 Appropriation of profit/loss
16 Contractual obligations and contingencies, etc.
17 Security and collateral
18 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group					
Note	DKK'000	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2022	1,009	226	-384	851	42	893
	Capital increase	17,922	0	161,298	179,220	0	179,220
	Transfer through appropriation of loss	0	-150	-22,223	-22,373	-14,425	-36,798
	Dividend distributed	0	0	0	0	53,097	53,097
	Equity at 1 January 2023	18,931	76	138,691	157,698	38,714	196,412
	Capital increase	1,000	0	9,000	10,000	0	10,000
	Transfer through appropriation of loss	0	0	-27,398	-27,398	-5,175	-32,573
	Adjustment of investments through forreign exchange adjustments	0	-1,115	0	-1,115	-276	-1,391
	Other value adjustments of equity	0	0	0	0	-1,619	-1,619
	Equity at 31 December 2023	19,931	-1,039	120,293	139,185	31,644	170,829

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	1,009	-158	851
	Capital increase	17,922	161,298	179,220
8	Transfer, see "Appropriation of profit/loss"	0	-22,373	-22,373
	Equity at 1 January 2023	18,931	138,767	157,698
	Capital increase	1,000	9,000	10,000
8	Transfer, see "Appropriation of profit/loss"	0	-27,398	-27,398
	Adjustment of investments through forreign exchange adjustments	0	-1,115	-1,115
	Equity at 31 December 2023	19,931	119,254	139,185

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	**DKK'000**	**2023**	**2022**
	Profit/loss for the year	-32,573	-36,798
19	Adjustments	28,493	16,232
	Cash generated from operations (operating activities)	-4,080	-20,566
20	Changes in working capital	-12,412	24,910
	Income taxes paid	0	-589
	Cash flows from operating activities	-16,492	3,755
	Additions of intangible assets	-10,068	-4,661
21	Additions of property, plant and equipment	-5,694	-1,506
	Disposals of property, plant and equipment	2,654	0
22	Acquisition of companies and activities	0	-400,146
	Other cash flows from investing activities	-856	419
	Cash flows to investing activities	-13,964	-405,894
	Changes in debt to credit institutions	14,226	127,275
	Changes in debt to shareholders and management	4,164	62,101
	Acquisition of treasury shares	-4,119	0
	Sale of treasury shares	1,247	0
	Cash capital increase	10,000	232,317
	Other value adjustments of non-controlling interests	1,619	0
	Cash flows from financing activities	27,137	421,693
	Net cash flow	-3,319	19,554
	Cash and cash equivalents at 1 January	20,508	954
23	**Cash and cash equivalents at 31 December**	17,189	20,508

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of P-Esoft 2022 A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized 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'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Patent and brand	15 years
Customer relationships	5-15 years

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Goodwill	5-20 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the 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 and 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 # years and cannot exceed # years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding # years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Equity investments in group entities are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

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.

Dividend received is deduced from the carrying amount.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Gains and losses on disposal of group entities and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment, investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Consolidated financial statements and parent company 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.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

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".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the 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 goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition 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 is measured according to 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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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

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

Cash and cash equivalents comprise cash.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Financial ratios

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 **Events after the balance sheet date**

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

3 **Special items**

	Group		Parent company	
DKK'000	2023	2022	2023	2022
Expenses				
Transaction costs	17,050	17,887	0	0
	17,050	17,887	0	0
Special items are recognised in the below items of the financial statements				
Other external expenses	17,050	17,887	0	0
Net profit on special items	17,050	17,887	0	0

Group

During 2022 P-Esoft 2022 A/S Group has incurred transaction costs totalling DKK 17,887 thousand during the acquisition of Inviso AS, Pro-Plan Interaktiv A/S and Esoft Systems A/S.

During 2023 P-Esoft 2022 A/S Group has incurred transaction costs totalling DKK 17,050 thousand during acquisitions.

		Group		Parent company	
	DKK'000	2023	2022	2023	2022
4	**Staff costs**				
	Wages/salaries	98,800	62,672	0	0
	Pensions	2,424	1,067	0	0
	Other social security costs	9,422	5,111	0	0
	Other staff costs	5,914	1,635	0	0
	Staff costs transferred to non-current assets	-8,142	-2,675	0	0
		108,418	67,810	0	0

	Group		Parent company	
	2023	2022	2023	2022
Average number of full-time employees	764	961	0	0

Group

Staff costs include remuneration to the Parent Company's Executive Board and Board of Directors totaling DKK 0 thousand (2022: DKK 0 thousand).

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2023	2022	2023	2022
5	**Financial income**				
	Other financial income	2,151	3,708	13	0
		2,151	3,708	13	0
6	**Financial expenses**				
	Other financial expenses	20,516	9,234	0	7
		20,516	9,234	0	7
7	**Tax for the year**				
	Estimated tax charge for the year	4,465	-2,752	0	0
	Deferred tax adjustments in the year	-7,775	2,042	-11	-249
		-3,310	-710	-11	-249

		Parent company	
	DKK'000	2023	2022
8	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-27,398	-22,373
		-27,398	-22,373

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Intangible assets

	Group				
DKK'000	Completed development projects	Patent and brand	Customer relationships	Goodwill	Total
Cost at 1 January 2023	59,416	8,193	190,184	203,929	461,722
Forreign exchange adjustments	-1,760	0	-215	-200	-2,175
Additions	10,068	0	0	0	10,068
Disposals	0	0	0	-2,107	-2,107
Cost at 31 December 2023	67,724	8,193	189,969	201,622	467,508
Impairment losses and amortisation at 1 January 2023	50,974	273	5,824	5,289	62,360
Foreign exchange adjustments	-1,710	0	-1	-1	-1,712
Amortisation for the year	3,513	546	14,123	11,460	29,642
Impairment losses and amortisation at 31 December 2023	52,777	819	19,946	16,748	90,290
Carrying amount at 31 December 2023	14,947	7,374	170,023	184,874	377,218
Amortised over	5 years	15 years	5-15 years	5-20 years	

The depreciation period for customer relations and goodwill is between 5-20 years. The depreciation is usually 5 years except for acquistions which has strategic importance for the future development of the business.

Completed development projects

Development projects is primarily related to the development of artificial intelligence solutions. Management has assessed that there are substantial savings potentials associated with the AI solutions and that the projects proceed as planned.

The relating expenses primarily consist of internal expenses in the form of payroll costs The depreciation period on completed development projects is usually 5 years and does not exceed 20 years. Depreciation on completed projects is started, when the project is considered completed and revenue or saving can be recognized reliably.

The depreciation period on completed development projects is usually 5 years. Depreciation on completed projects is started, when the project is considered completed and revenue or savings can be recognised reliably.

Management has assessed that there are no indications of impairment in relation to the carrying amount.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	29,045	375	29,420
Foreign exchange adjustments	-1,086	-14	-1,100
Additions	5,694	0	5,694
Disposals on demerger and sale of other enterprise	-2,367	-158	-2,525
Disposals	-1,529	0	-1,529
Cost at 31 December 2023	29,757	203	29,960
Impairment losses and depreciation at 1 January 2023	23,419	97	23,516
Foreign exchange adjustments	-962	-1	-963
Depreciation	3,073	68	3,141
Reversal of accumulated depreciation and impairment of assets disposed	-1,383	-17	-1,400
Impairment losses and depreciation at 31 December 2023	24,147	147	24,294
Carrying amount at 31 December 2023	5,610	56	5,666

Note 17 provides more details on security for loans, etc. as regards property, plant and equipment.

11 Investments

	Group		
DKK'000	Other receivables	Deposits, investments	Total
Cost at 1 January 2023	1,115	1,021	2,136
Foreign exchange adjustments	-41	77	36
Additions	212	615	827
Disposals	0	-7	-7
Cost at 31 December 2023	1,286	1,706	2,992
Carrying amount at 31 December 2023	1,286	1,706	2,992

Group

Group entities

Name	Domicile	Interest
Esoft HoldCo A/S	Denmark	80.00%
Esoft BidCo A/S	Denmark	100.00%
Esoft Systems A/S	Denmark	100.00%
EFKT Danmark A/S	Denmark	100.00%
EFKT Media ApS	Denmark	100.00%
Esoft International A/S	Denmark	100.00%
EFKT Sverige AB	Sweden	100.00%
EFKT Norge AS	Norway	100.00%
Esoft Vietnam Co., Ltd.	Vietnam	100.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Investments (continued)

DKK'000	Parent company Investments in group enterprises
Cost at 1 January 2023	178,446
Cost at 31 December 2023	178,446
Value adjustments at 1 January 2023	-21,635
Foreign exchange adjustments	-1,116
Profit/loss for the year	-26,100
Value adjustments for the year	-1,259
Value adjustments at 31 December 2023	-50,110
Carrying amount at 31 December 2023	128,336

12 Share capital

The share capital consists of 19,930,784 shares of a nominal value of 0,01 DKK each.
No shares carry any special rights.

Analysis of changes in the share capital over the past 3 years:

DKK'000	2023	2022	2021
Opening balance	18,931	1,009	500
Capital increase	1,000	17,922	556
	19,931	18,931	1,056

	Group		Parent company	
DKK'000	2023	2022	2023	2022
13 Deferred tax				
Changes during the year	19,716	26,257	-260	-249
Deferred tax at 31 December	19,716	26,257	-260	-249
Deferred tax relates to:				
Intangible assets	42,503	41,282	-260	-249
Property, plant and equipment	-125	-290	0	0
Tax loss	-22,662	-14,735	0	0
	19,716	26,257	-260	-249
Analysis of the deferred tax				
Deferred tax assets	0	0	-260	-249
Deferred tax liabililties	19,716	26,257	0	0
	19,716	26,257	-260	-249

The Group has recognized net tax liability of a total of DKK 19,716 thousand at 31 December 2023. The tax liabilities consists of recognized tax loss carryforwards of DKK 22,662 thousand and time differences of DKK 42,378 thousand. The total tax loss carryforwards can be attributed to Danish group entities.

Management considers it likely that there will be future taxable income against which tax deductions can be offset on the basis of expected future results.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other credit institutions	95,795	18,400	77,395	0
Payables to shareholders and Management	66,265	0	66,265	0
	162,060	18,400	143,660	0

15 Other payables

Other payables, recognized under liabilities, primarily comprise items related to payroll and payable VAT.

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The Danish entities of Esoft HoldCo A/S Group is jointly taxed with the ultimate Parent Company P-Esoft 2022 A/S (P-Esoft 2022 A/S acts as the administration company in the joint taxation group). The Danish entities of Esoft HoldCo A/S Group has unlimited joint and several liability, together with P-Esoft 2022 A/S, for payment of Danish corporation taxes for the income year 2022 as well as withholding taxes on dividends, interest and royalties within the joint taxation group.

Other financial obligations

Group

The Group has entered into operating leases with a total remaining nominal lease commitment of DKK 1,505 thousand as of 31 December 2023.

The group has entered rent agreements which can be terminated within 3-87 months and the total obligation as of 31 December 2023 amounts to DKK 15,607 thousand.

Parent company

17 Security and collateral

Group

As security for the Group's debt to the Danish bank Nykredit A/S a receivables charge of DKK 500 thousand has been issued.

The Group's loan agreement with Nykredit A/S is furthermore based on a negative pledge that prohibits the Group from creating a security interest on a number of the Danish entities' assets (goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and trade receivables).

The Danish entities of P-Esoft 2022 A/S Group are jointly and severally liable for the Group's net debt to Nykredit A/ S which amounts to DKK 141.900 thousand.

Parent company

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

18 Related parties

Group

P-Esoft 2022 A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Polaris Private Equity V K/S	Axeltorv 2, 1609 København V	Participating interest

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 4.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Polaris Private Equity V K/S	Axeltorv 2, 1609 København V

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group	
	DKK'000	2023	2022
19	**Adjustments**		
	Amortisation/depreciation and impairment losses	32,807	15,996
	Tax for the year	-3,310	212
	Other adjustments	-1,004	24
		28,493	16,232
20	**Changes in working capital**		
	Change in receivables	-4,430	9,546
	Change in trade and other payables	-7,982	15,364
		-12,412	24,910
21	**Transactions without liquidity effect**		
22	**Acquisition of enterprises and activities**		
	Intangible assets	0	6,657
	Property, plant and equipment	0	5,793
	Receivables	0	50,864
	Cash	0	17,529
	Deferred tax	0	-29,050
	Trade payables	0	-16,437
	Other payables	0	-37,596
		0	-2,240
	Goodwill and customer relationships	0	402,386
	Cost of acquisition paid in cash	0	400,146
23	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	17,189	20,508
		17,189	20,508

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Henrik Bonnerup
Direktion
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Martin Adrian Møller
Dirigent
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Søren Smedegaard Hvid
Statsautoriseret revisor
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