



LRQA Danmark ApS

Automatikvej 1 3, 2860 Søborg

CVR no. 42 56 83 92

**Annual report for the period
20 July 2021 to 31 December 2022**

Godkendt på selskabets ordinære generalforsamling den 3 November 2023

Hans Natanael Höglund
Chairman


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Statement by management on the annual report

The executive board has today discussed and approved the annual report of LRQA Danmark ApS for the financial year 20 July 2021 - 31 December 2022.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 20 July 2021 - 31 December 2022.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 3 November 2023

Executive board

Hans Natanael Höglund
Director

Independent auditor's report

To the Shareholder of LRQA Danmark ApS

Opinion

We have audited the financial statements of LRQA Danmark ApS for the financial year 20 July 2021 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 20 July 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

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

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

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

Copenhagen, 3 November 2023

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Ramazan Turan
statsautoriseret revisor
MNE no. mne32779

Company details

The company

LRQA Danmark ApS
Automatikvej 1 3
2860 Søborg

CVR no.: 42 56 83 92

Reporting period: 20 July 2021 - 31 December 2022

Incorporated: 20 July 2021

Domicile: Gladsaxe

Executive board

Hans Natanael Höglund, director

Auditors

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
Poul Bundgaards Vej 1, 1.
2500 Valby

Management's review

Business review

The Company's activity is to develop, sell, provide consulting and implement administrative software solutions.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 3.285.780, and the balance sheet at 31 December 2022 shows negative equity of DKK 3.245.780.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 20 July - 31 December

	Note	2021/22 DKK
Gross profit		6.700.927
Staff costs	1	-3.505.721
Depreciation, amortisation and impairment of intangible assets and equipment		-8.756.642
Profit/loss before net financials		-5.561.436
Financial income	2	2.217.375
Financial costs	3	-868.477
Profit/loss before tax		-4.212.538
Tax on profit/loss for the year	4	926.758
Profit/loss for the year		-3.285.780
 Recommended appropriation of profit/loss		
Retained earnings		-3.285.780
		-3.285.780

Balance sheet 31 December

	Note	2022 DKK
Assets		
Goodwill		61.275.619
Intangible assets	5	61.275.619
Other fixtures and fittings, tools and equipment	6	9.800
Tangible assets		9.800
Total non-current assets		61.285.419
Trade receivables		2.969.179
Receivables from group enterprises		2.525.407
Other receivables		4.193.458
Deferred tax asset		926.758
Prepayments		16.397
Receivables		10.631.199
Cash at bank and in hand		44.738
Total current assets		10.675.937
Total assets		71.961.356

Balance sheet 31 December

	Note	2022 DKK
Equity and liabilities		
Share capital		40.000
Retained earnings		-3.285.780
Equity		-3.245.780
Prepayments received from customers		602.575
Trade payables		232.478
Payables to group enterprises		73.297.635
Other payables		1.036.100
Deferred income		38.348
Total current liabilities		75.207.136
Total liabilities		75.207.136
Total equity and liabilities		71.961.356
Contingent liabilities	7	

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 20 July	40.000	0	40.000
Net profit/loss for the year	0	-3.285.780	-3.285.780
Equity at 31 December	40.000	-3.285.780	-3.245.780

Notes

	<u>2021/22</u>
	DKK
1 Staff costs	
Wages and salaries	3.225.888
Pensions	404.449
Other social security costs	14.632
Other staff costs	<u>-139.248</u>
	<u>3.505.721</u>
Number of fulltime employees on average	<u>2</u>
2 Financial income	
Other financial income	18.350
Exchange adjustments	<u>2.199.025</u>
	<u>2.217.375</u>
3 Financial costs	
Other financial costs	<u>868.477</u>
	<u>868.477</u>
4 Tax on profit/loss for the year	
Deferred tax for the year	<u>-926.758</u>
	<u>-926.758</u>

Notes

5 Intangible assets

	Goodwill DKK
Cost at 20 July	0
Additions for the year	<u>70.029.279</u>
Cost at 31 December	<u>70.029.279</u>
Impairment losses and amortisation at 20 July	0
Amortisation for the year	<u>8.753.660</u>
Impairment losses and amortisation at 31 December	<u>8.753.660</u>
Carrying amount at 31 December	<u><u>61.275.619</u></u>

Rationale for the depreciation period for Goodwill.

Investments related to the acquisition of companies with significant market potential are considered to be of strategic importance. Taking into account the company's expectations for activities and earnings, the economic lifespan of goodwill for such acquisitions has been set at 10 years.

Special assumptions regarding development projects and tax assets

6 Tangible assets

	Other fixtures and fittings, tools and equipment DKK
Cost at 20 July	0
Additions for the year	<u>12.782</u>
Cost at 31 December	<u>12.782</u>
Impairment losses and depreciation at 20 July	0
Depreciation for the year	<u>2.982</u>
Impairment losses and depreciation at 31 December	<u>2.982</u>
Carrying amount at 31 December	<u><u>9.800</u></u>

Notes

7 Contingent liabilities

The Company has entered into leases on premises. The leases commitments amounts to DKK 36.340 at 31 December 2022.

Accounting policies

The annual report of LRQA Danmark ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

As 2021/22 is the company's first reporting period, no comparatives have been presented.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less costs of other external expenses.

Revenue

Income from the sale of services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of equipment.

Other external expenses

Other external expenses include expenses related 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 pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and equipment

Depreciation, amortisation and impairment of intangible assets and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to liabilities and foreign currency transactions, amortisation of liabilities.

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over 10 years.

Accounting policies

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

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

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.