



**INSERO AIR TRAFFIC SOLUTIONS
A/S**

Banegårdsgade 2
8700 Horsens
CVR No. 66849716

Annual report 2021

The Annual General Meeting adopted the
annual report on 27.04.2022

Christian Damgaard Lunde
Chairman of the General Meeting

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Entity details

Entity

INSERO AIR TRAFFIC SOLUTIONS A/S

Banegårdsgade 2

8700 Horsens

Business Registration No.: 66849716

Date of foundation: 03.07.1981

Registered office: Horsens

Financial year: 01.01.2021 - 31.12.2021

Phone number: 79253300

URL: www.inseroats.com

Board of Directors

Kim Søgård Bering Kristensen, formand

Christian Damgaard Lunde

Erik Borum

Executive Board

Michael Houmann Tandrup, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of INSERO AIR TRAFFIC SOLUTIONS A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Horsens, 28.03.2022

Executive Board

Michael Houmann Tandrup
direktør

Board of Directors

Kim Søgård Bering Kristensen
formand

Christian Damgaard Lunde

Erik Borum

Independent auditor's report

To the shareholders of INSERO AIR TRAFFIC SOLUTIONS A/S

Opinion

We have audited the financial statements of INSERO AIR TRAFFIC SOLUTIONS A/S for the financial year 01.01.2019-31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aarhus, 28.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne34506

Alexander Brix Kronborg

State Authorised Public Accountant
Identification No (MNE) mne47804

Management commentary

Primary activities

All activities in the company during 2021, have been according to the company strategy and within the domain of development, production and sale of air traffic software solutions for Airports and Air Navigation Service Providers internationally.

Development in activities and finances

Despite the continued spread/waves of COVID-19 worldwide, Insero Air Traffic Solutions has grown both in terms of revenue and turnover. The positive result for the year thus amounts to DKK 5,402k after taxation which is better than expected.

Despite rising traffic numbers, COVID-19 continues to have an extensive effect on the airport and aviation industry, causing delays for projects that are not considered safety critical and which may be more of a strategic nature. In spite of that, Insero Air Traffic Solutions has managed to increase the order backlog and maintain a high level of order deliverance.

The company is expected to continue the positive development in the coming year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		16,547	14,604
Staff costs	1	(9,119)	(8,249)
Depreciation, amortisation and impairment losses	2	(858)	(1,637)
Operating profit/loss		6,570	4,718
Other financial income	3	283	152
Other financial expenses		(18)	(49)
Profit/loss before tax		6,835	4,821
Tax on profit/loss for the year	4	(1,433)	(1,037)
Profit/loss for the year		5,402	3,784
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		5,500	4,000
Retained earnings		(98)	(216)
Proposed distribution of profit and loss		5,402	3,784

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	6	1,309	1,012
Acquired licences		0	0
Intangible assets	5	1,309	1,012
Other fixtures and fittings, tools and equipment		473	202
Property, plant and equipment	7	473	202
Fixed assets		1,782	1,214
Trade receivables		3,218	1,897
Contract work in progress	8	683	438
Receivables from group enterprises		8,773	9,001
Deferred tax		241	187
Prepayments		21	0
Receivables		12,936	11,523
Cash		3,321	4,381
Current assets		16,257	15,904
Assets		18,039	17,118

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		750	750
Reserve for development expenditure		1,021	790
Retained earnings		2,767	3,096
Proposed dividend		5,500	4,000
Equity		10,038	8,636
Other provisions	9	2,462	1,983
Provisions		2,462	1,983
Other payables		0	659
Non-current liabilities other than provisions	10	0	659
Contract work in progress	8	295	654
Trade payables		154	276
Payables to group enterprises		298	625
Joint taxation contribution payable		1,487	1,348
Other payables		3,081	2,671
Deferred income		224	266
Current liabilities other than provisions		5,539	5,840
Liabilities other than provisions		5,539	6,499
Equity and liabilities		18,039	17,118
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	750	790	3,096	4,000	8,636
Ordinary dividend paid	0	0	0	(4,000)	(4,000)
Transfer to reserves	0	231	(231)	0	0
Profit/loss for the year	0	0	(98)	5,500	5,402
Equity end of year	750	1,021	2,767	5,500	10,038

Notes

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	9,318	7,555
Pension costs	284	245
Other social security costs	58	63
Other staff costs	202	418
	9,862	8,281
Staff costs classified as assets	(743)	(32)
	9,119	8,249
Average number of full-time employees	13	10

2 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	723	873
Impairment losses on intangible assets	0	709
Depreciation of property, plant and equipment	135	56
Profit/loss from sale of intangible assets and property, plant and equipment	0	(1)
	858	1,637

3 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	283	154
Other interest income	0	(2)
	283	152

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	1,487	1,348
Change in deferred tax	(54)	(311)
	1,433	1,037

5 Intangible assets

	Completed development projects DKK'000	Acquired licences DKK'000
Cost beginning of year	7,307	106
Additions	1,019	0
Cost end of year	8,326	106
Amortisation and impairment losses beginning of year	(6,294)	(106)
Amortisation for the year	(723)	0
Amortisation and impairment losses end of year	(7,017)	(106)
Carrying amount end of year	1,309	0

6 Development projects

Completed development projects comprise development of software solutions for the aviation industry. The completed development projects are amortised over 3-5 years. Management has not identified any indication of impairment compared to the carrying amount.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	278
Additions	406
Cost end of year	684
Depreciation and impairment losses beginning of year	(76)
Depreciation for the year	(135)
Depreciation and impairment losses end of year	(211)
Carrying amount end of year	473

8 Contract work in progress

	2021 DKK'000	2020 DKK'000
Contract work in progress	14,175	3,030
Progress billings regarding contract work in progress	(13,787)	(3,246)
Transferred to liabilities other than provisions	295	654
	683	438

9 Other provisions

Other provisions are recognized provision for guarantee commitments for a total of 2.462 kDKK. The provision is recognized related to projects delivered to customers, where there is a contractual guarantee commitment. The provision is based on an individual assessment for each project.

The account balance includes uncertainty relating to recognition and measurement. It's the management opinion that the provision is recognized as best estimate including risks and uncertainties on the balance date.

10 Non-current liabilities other than provisions

	Outstanding after 5 years 2021 DKK'000
Other payables	659
	659

11 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	141	169

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Energi Horsens Net Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Property, plant and equipment

AR_P_Materielle anlægsaktiver_Afskrivningsgrundlag

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[View table](#)

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions,

depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.