

# PDC A/S

H.J. Holst Vej 3 - 5 C, 2605 Brøndby

CVR no. 78 80 61 17

## Annual report 2019/20

Approved at the Company's annual general meeting on 9 July 2020

Chairman:



Ole Eklund





## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 May 2019 - 30 April 2020	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

## 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 PDC A/S for the financial year 1 May 2019 - 30 April 2020.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2020 and of the results of the Company's operations for the financial year 1 May 2019 - 30 April 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Brøndby, 9 July 2020  
Executive Board:



Finn Grønsvov, CEO



Leo Schou-Jensen, CTO

Board of Directors:



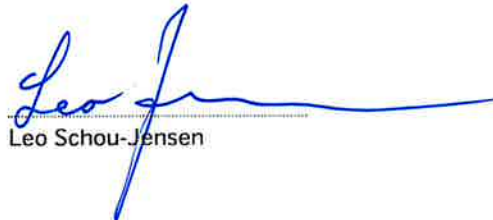
Ole Eklund  
Chairman

Lars Malmgren-Hansen

Hans Siggaard Jensen



Finn Grønsvov



Leo Schou-Jensen

## Independent auditor's report

To the shareholders of PDC A/S

### Opinion

We have audited the financial statements of PDC A/S for the financial year 1 May 2019 - 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2020 and of the results of the Company's operations for the financial year 1 May 2019 - 30 April 2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 rules and requirements.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 9 July 2020  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Robert Christensen  
State Authorised Public Accountant  
mne16653



Allan Nørgaard  
State Authorised Public Accountant  
mne35501



## Management's review

### Company details

Name	PDC A/S
Address, Postal code, City	H.J. Holst Vej 3 - 5 C, 2605 Brøndby
CVR no.	78 80 61 17
Established	8 July 1985
Registered office	Brøndby
Financial year	1 May 2019 - 30 April 2020
Website	<a href="http://www.pdc.dk">www.pdc.dk</a>
Telephone	+45 36 36 00 00
Telefax	+45 36 36 00 01
Board of Directors	Ole Eklund, Chairman Lars Malmgren-Hansen Hans Siggaard Jensen Finn Grønskov Leo Schou-Jensen
Executive Board	Finn Grønskov, CEO Leo Schou-Jensen, CTO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights

DKK'000	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Key figures</b>					
Revenue	93,269	93,302	87,403	83,589	78,306
Operating profit/loss	3,209	4,012	388	5,584	5,331
Net financials	-776	319	-1,246	205	-503
Profit for the year	3,061	3,082	3,966	4,201	3,842
<b>Total assets</b>					
Investment in property, plant and equipment	2,605	898	1,733	946	1,202
Equity	36,052	34,596	33,650	31,825	29,758
<b>Financial ratios</b>					
Operating margin	6.0%	6.7%	3.5%	6.7 %	6.8 %
Return on assets	5.2%	7.0%	0.7%	10.3%	9.8%
Current ratio	235.7%	242.9%	247.7%	260.4%	233.6%
Equity ratio	57.6%	57.3%	61.7%	59.7%	53.6%
Return on equity	8.7%	9.0%	12.1%	13.6%	13.6%
<b>Average number of employees</b>					
	88	87	90	84	76

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Company's main activities are to develop and sell software and related activities.

### Financial review

The income statement for 2019/20 shows a profit of DKK 3,061 thousand against a profit of DKK 3,082 thousand last year, and the balance sheet at 30 April 2020 shows equity of DKK 36,052 thousand. Management considers this satisfactory in light of that the Covid-19 pandemic did influence two months of the fiscal year. Further growth is expected for 2020/21.

The main activities within the key areas of the company includes:

#### AIRLINES

- ▶ Delivery of PDCs integrated flight suite for Airlines Resource Management, including Operations Control, Commercial Schedules Planning and Crew management to airlines.

#### AIRPORTS

- ▶ The PDC SCORE system for Airport Slot Coordination have been delivered to more customers also in new countries. SCORE is now used for coordination and schedule facilitation in 49 countries.
- ▶ PDC has acquired a company with a new product: Airports Operation Database. This integrates with PDC's other scheduling offerings for Airports.

#### RESOURCE MANAGEMENT SYSTEMS

- ▶ Implementation of PDC's work force management and production planning solution to the public and private sectors.

#### TECHNOLOGIES

- ▶ Development and supply of flexible dashboard solution – enhancing PDC's existing product lines with fully integrated dashboards for advanced dynamic reporting.
- ▶ Compiler development.
- ▶ Automated scheduling solution based on Mathematical Optimization and AI technologies.

### Special risks

The current Covid-19 pandemic may affect the sales to our customers within the Airline and Airport segments. The potential impact on the company's result and financial position will naturally depend on the length and the severity of the pandemic which are both unknown at the time of issuance of the financial statement.

### Events after the balance sheet date

In the period after the balance sheet date, management has noted that the global Covid-19 pandemic potentially will impact the company's result and financial position in 2020/21. The primary impacts have been elaborated further in the section "Special risks". At the time of issuance of this financial statement it is however not possible for management to quantify the impact further as it will depend on the length and severity of the pandemic.

### Outlook

Management has from early May 2020 observed a limited negative impact of Covid-19 seen as lower profit. Notwithstanding the expected impact of Covid-19 which is difficult to estimate, the company expects continued growth in revenue and profit in 2020/21.



## Financial statements 1 May 2019 - 30 April 2020

### Income statement

Note	DKK'000	2019/20	2018/19
	Revenue	93,269	93,302
	Cost of sales	-4,056	-4,762
	Other operating income	2,480	2,199
	Other external expenses	-22,923	-20,806
	Gross profit	68,770	69,933
2	Staff costs	-61,832	-62,675
3	Amortisation/depreciation of intangible assets and property, plant and equipment	-1,249	-1,048
	Other operating expenses	-114	0
	Profit before net financials	5,575	6,210
	Income from investments in group entities	-676	-1,985
	Financial income	601	1,004
	Financial expenses	-1,377	-685
	Profit before tax	4,123	4,544
4	Tax for the year	-1,062	-1,462
	Profit for the year	3,061	3,082

## Financial statements 1 May 2019 - 30 April 2020

### Balance sheet

Note	DKK'000	2019/20	2018/19
	<b>ASSETS</b>		
	Fixed assets		
5	Intangible assets		
	Acquired intangible assets	395	0
	Goodwill	406	0
		<u>801</u>	<u>0</u>
6	Property, plant and equipment		
	Plant and machinery	304	627
	Other fixtures and fittings, tools and equipment	2,985	1,363
		<u>3,289</u>	<u>1,990</u>
7	Investments		
	Investments in group entities	1,816	1,693
		<u>1,816</u>	<u>1,693</u>
	Total fixed assets	<u>5,906</u>	<u>3,683</u>
	Non-fixed assets		
9	Receivables		
	Trade receivables	28,355	33,507
8	Work in progress for third parties	3,767	6,560
	Receivables from group entities	4,620	2,316
10	Deferred tax assets	333	0
	Other receivables	723	1,003
		<u>37,798</u>	<u>43,386</u>
	Cash	18,887	13,320
	Total non-fixed assets	<u>56,685</u>	<u>56,706</u>
	<b>TOTAL ASSETS</b>	<u>62,591</u>	<u>60,389</u>



## Financial statements 1 May 2019 - 30 April 2020

### Balance sheet

Note	DKK'000	2019/20	2018/19
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	500	500
	Retained earnings	32,552	32,096
	Dividend proposed for the year	3,000	2,000
	<b>Total equity</b>	<b>36,052</b>	<b>34,596</b>
	Provisions		
10	Deferred tax	0	1,036
	<b>Total provisions</b>	<b>0</b>	<b>1,036</b>
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Lease liabilities	58	156
	Income taxes payable	2,431	1,259
		<b>2,489</b>	<b>1,415</b>
	Current liabilities other than provisions		
11	Current portion of long-term liabilities	98	96
8	Work in progress for third parties	7,108	6,874
	Trade payables	1,364	1,525
	Payables to group entities	429	420
	Income taxes payable	1,259	0
	Other payables	11,966	12,550
12	Deferred income	1,826	1,877
		<b>24,050</b>	<b>23,342</b>
	<b>Total liabilities other than provisions</b>	<b>26,539</b>	<b>24,757</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,591</b>	<b>60,389</b>

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Collateral
- 15 Related parties
- 16 Appropriation of profit

## Financial statements 1 May 2019 - 30 April 2020

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
		500	32,096	2,000	34,596
16	Transfer, see "Appropriation of profit"	0	61	3,000	3,061
	Exchange adjustment	0	395	0	395
	Dividend distributed	0	0	-2,000	-2,000
	Equity at 30 April 2020	500	32,552	3,000	36,052

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies

The annual report of PDC A/S for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for PDC A/S and its group entities are part of the consolidated financial statements for Prolog Development Center Holding A/S.

The accounting policies applied by the Company are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Prolog Development Center Holding A/S.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company's revenue comprises sale of services and income from the sale of software licences.

Income from the sale of services is recognised once the outcome of the transaction can be estimated reliably with reference to the stage of completion.

Licence income is recognised as revenue at the time of transfer of the risk to the buyer when, in reality, the agreement is comparable with a sale of software licences.

In assessing the reality of the individual agreement on the delivery of licences, the Company's obligations in connection with additional deliverances, term of contract, payment period, interminability of the contract, rights to the licence and other relevant factors are taken into consideration.

For sales with a long credit period, the debtor's ability to pay is included in the assessment as to whether the economic benefits connected with the sales transaction will flow to the Company and whether revenue can be measured reliably.

Sales with long interest-free credit are discounted and recognised at fair value. The related interest income is recognised over the term of the credit arrangement under net financials.

###### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets, sublease income regarding the Company's premises and re invoicing of costs to other group companies.

###### 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 pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

###### Amortisation/depreciation

The item comprises amortisation/depreciation and impairment of 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	3 years
Goodwill	5 years
Plant and machinery	6 years
Other fixtures and fittings, tools and equipment	3 years

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial income and expenses

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

##### 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 entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Intangible assets

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

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable 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 3.

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.

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

#### 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.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

#### Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.



## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries 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.

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

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries 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

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.

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under 'Provisions' and is expensed in the income statement.

The value of each contract in progress less prepayments is classified as assets when the market value exceed prepayments and as liabilities when prepayments exceeds the market value.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

##### 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.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

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.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

## Financial statements 1 May 2019 - 30 April 2020

### 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.

##### Financial ratios

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

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

DKK'000	2019/20	2018/19
2 Staff costs		
Wages/salaries	51,458	53,222
Pensions	6,793	6,216
Other social security costs	714	635
Other staff costs	2,867	2,602
	<u>61,832</u>	<u>62,675</u>
Average number of full-time employees	<u>88</u>	<u>87</u>
Remuneration to members of Management:		
Executive Board	1,933	1,931
Board of Directors	104	104
	<u>2,037</u>	<u>2,035</u>
3 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	129	0
Depreciation of property, plant and equipment	1,120	1,048
	<u>1,249</u>	<u>1,048</u>
4 Tax for the year		
Estimated tax charge for the year	2,431	1,259
Deferred tax adjustments in the year	-1,369	203
	<u>1,062</u>	<u>1,462</u>

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 5 Intangible assets

DKK'000	Acquired intangible assets	Goodwill	Total
Additions in the year	495	435	930
Cost at 30 April 2020	495	435	930
Amortisation/depreciation in the year	100	29	129
Impairment losses and amortisation at 30 April 2020	100	29	129
Carrying amount at 30 April 2020	395	406	801
Amortised over	3 years	5 years	

#### 6 Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 May 2019	1,097	4,037	5,134
Additions in the year	0	2,605	2,605
Disposals in the year	-274	0	-274
Cost at 30 April 2020	823	6,642	7,465
Impairment losses and depreciation at 1 May 2019	470	2,674	3,144
Amortisation/depreciation in the year	137	983	1,120
Reversal of prior-year impairment losses	-88	0	-88
Impairment losses and depreciation at 30 April 2020	519	3,657	4,176
Carrying amount at 30 April 2020	304	2,985	3,289
Property, plant and equipment include finance leases with a carrying amount totalling	0	86	86
Depreciated over	6 years	3 years	

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 7 Investments

DKK'000	Investments in group entities
Cost at 1 May 2019	5,035
Additions in the year	400
Cost at 30 April 2020	5,435
Value adjustments at 1 May 2019	-3,342
Exchange adjustment	395
Share of the profit/loss for the year	-672
Value adjustments at 30 April 2020	-3,619
Carrying amount at 30 April 2020	1,816

Name	Domicile	Interest
<b>Subsidiaries</b>		
PDC Solutions Canada Ltd.	Canada	100.00%
Prolog Development Center Asia Pacific Pte. Ltd.	Singapore	100.00%
PDC Aviation Ltd.	United Kingdom	100.00%
PDC-Solutions Columbia SAS	Columbia	100.00%
LPT IT ApS	Vejle, Denmark	100.00%

DKK'000	2019/20	2018/19
<b>8 Work in progress for third parties</b>		
Selling price of work performed	12,594	14,219
Progress billings	-15,935	-14,533
	-3,341	-314
recognised as follows:		
Work in progress for third parties(assets)	3,767	6,560
Work in progress for third parties(liabilities)	-7,108	-6,874
	-3,341	-314

#### 9 Receivables

Of receivables totalling DKK 28,355 thousand, DKK 11,396 thousand (discounted present value) is falling due for payment after one year from the balance sheet date.

DKK'000	2019/20	2018/19
<b>10 Deferred tax</b>		
Deferred tax at 1 May	1,036	833
Movement of the year	-1,369	203
Deferred tax at 30 April	-333	1,036

The provision for deferred tax primarily relates to timing differences in respect of property, plant and equipment and work in progress for third parties.

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 11 Non-current liabilities other than provisions

DKK'000	Total debt at 30/4 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	156	98	58	0
Income taxes payable	2,431	0	2,431	0
	<u>2,587</u>	<u>98</u>	<u>2,489</u>	<u>0</u>

#### 12 Deferred income

Deferred income comprises payments relating to the sale of licences and support & maintenance contracts, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

#### 13 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Prolog Development Holding A/S, which acts as management company, and other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2012/13 and forward and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

##### Other financial obligations

##### Other rent and lease liabilities:

Rent and lease liabilities	<u>837</u>	<u>823</u>
----------------------------	------------	------------

#### 14 Collateral

The Company has not placed any assets or other as security for loans at 30 April 2020.

## Financial statements 1 May 2019 - 30 April 2020

### Notes to the financial statements

#### 15 Related parties

##### Information about consolidated financial statements

Parent	Domicile
Prolog Development Center Holding A/S	

##### Related party transactions

PDC A/S was engaged in the below related party transactions:

DKK'000	2019/20	2018/19
Income, other operating income, sister companies	716	273
Costs, cost of sales, sister companies	323	390
Receivables from sister companies	64	0
Receivable from parent company	3,722	1,859

Transactions with wholly owned subsidiaries are not disclosed, cf. Artikel 98C, section 3 of the Danish Financial Statements Act.

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 2, "Staff costs".

#### 16 Appropriation of profit

Recommended appropriation of profit	3,000	2,000
Proposed dividend recognised under equity	61	1,082
Retained earnings	3,061	3,082