

Insero Air Traffic Solutions A/S

Banegårdsgade 2, 8700 Horsens
CVR no. 66 84 97 16

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 23.04.24

Christian Damgaard Lunde
Dirigent

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The company

Insero Air Traffic Solutions A/S
Banegårdsgade 2
8700 Horsens
Registered office: Horsens
CVR no.: 66 84 97 16
Financial year: 01.01 - 31.12

Executive Board

Michael Houmann Tandrup

Board of Directors

Christian Damgaard Lunde, member
Erik Borum, chairman
Michael Houmann Tandrup, member

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Insero Air Traffic Solutions A/S.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Horsens, March 19, 2024

Executive Board

Michael Houmann Tandrup

Board of Directors

Christian Damgaard Lunde

Erik Borum

Michael Houmann Tandrup

To the shareholder 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 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 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' 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.

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, it is our responsibility 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 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.

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 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 judgment 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.

Horsens, March 19, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Uffe Black Jensen
State Authorized Public Accountant
MNE-no. mne34332

Martin Engelund Hansen
State Authorized Public Accountant
MNE-no. mne47783

Primary activities

All activities in the company during 2022, 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 financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit of DKK 8,751k against DKK 8,314k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 13,603k.

Income statement

Note	2023 DKK '000	2022 DKK '000
	24,245	22,236
1 Staff costs	-12,180	-10,641
	12,065	11,595
2 Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,046	-1,064
	11,019	10,531
3 Financial income	194	182
Financial expenses	-36	-67
	11,177	10,646
4 Tax on profit for the year	-2,426	-2,332
	8,751	8,314
Proposed appropriation account		
Proposed dividend for the financial year	7,000	8,000
Retained earnings	1,751	314
	8,751	8,314

ASSETS		31.12.23	31.12.22
Note		DKK '000	DKK '000
	Completed development projects	996	548
5	Total intangible assets	996	548
	Other fixtures and fittings, tools and equipment	92	283
6	Total property, plant and equipment	92	283
	Total non-current assets	1,088	831
7	Work in progress for third parties	4,085	289
	Trade receivables	5,020	5,990
	Receivables from group enterprises	6,722	10,957
	Deferred tax asset	21	204
	Other receivables	3	0
	Prepayments	266	155
	Total receivables	16,117	17,595
	Cash	2,956	2,171
	Total current assets	19,073	19,766
	Total assets	20,161	20,597

EQUITY AND LIABILITIES		31.12.23	31.12.22
Note		DKK '000	DKK '000
	Share capital	750	750
	Reserve for development costs	777	427
	Retained earnings	5,076	3,675
	Proposed dividend for the financial year	7,000	8,000
	Total equity	13,603	12,852
8	Other provisions	757	1,444
	Total provisions	757	1,444
7	Prepayments received from work in progress for third parties	273	971
	Trade payables	358	806
	Payables to group enterprises	340	101
	Income taxes	1,443	2,295
	Other payables	2,878	2,128
	Deferred income	509	0
	Total short-term payables	5,801	6,301
	Total payables	5,801	6,301
	Total equity and liabilities	20,161	20,597
9	Contingent liabilities		
10	Related parties		

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.22 - 31.12.22					
Balance as at 01.01.22	750	1,021	2,767	5,500	10,038
Dividend paid	0	0	0	-5,500	-5,500
Transfers to/from other reserves	0	-594	594	0	0
Net profit/loss for the year	0	0	314	8,000	8,314
Balance as at 31.12.22	750	427	3,675	8,000	12,852
Statement of changes in equity for 01.01.23 - 31.12.23					
Balance as at 01.01.23	750	427	3,675	8,000	12,852
Dividend paid	0	0	0	-8,000	-8,000
Transfers to/from other reserves	0	350	-350	0	0
Net profit/loss for the year	0	0	1,751	7,000	8,751
Balance as at 31.12.23	750	777	5,076	7,000	13,603

	2023 DKK '000	2022 DKK '000
1. Staff costs		
Wages and salaries	11,079	9,331
Pensions	480	577
Other social security costs	122	97
Other staff costs	499	636
Total	12,180	10,641
Average number of employees during the year	15	13

2. Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	855	833
Impairment losses on intangible assets	0	40
Depreciation of property, plant and equipment	191	191
Total	1,046	1,064

3. Financial income

Interest, group enterprises	189	182
Other interest income	5	0
Total	194	182

	2023 DKK '000	2022 DKK '000
4. Tax on profit for the year		
Current tax for the year	2,206	2,295
Adjustment of deferred tax for the year	220	37
Total	2,426	2,332

5. Intangible assets

Figures in DKK '000	Completed development projects	Acquired rights
Cost as at 01.01.23	8,332	106
Additions during the year	1,304	0
Cost as at 31.12.23	9,636	106
Amortisation and impairment losses as at 01.01.23	-7,785	-106
Amortisation during the year	-855	0
Amortisation and impairment losses as at 31.12.23	-8,640	-106
Carrying amount as at 31.12.23	996	0

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.

6. Property, plant and equipment

Figures in DKK '000	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	684
Additions during the year	94
Disposals during the year	-94
Cost as at 31.12.23	684
Depreciation and impairment losses as at 01.01.23	-401
Depreciation during the year	-191
Depreciation and impairment losses as at 31.12.23	-592
Carrying amount as at 31.12.23	92

	31.12.23 DKK '000	31.12.22 DKK '000
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7. Work in progress for third parties

Work in progress for third parties	11,380	5,526
On-account invoicing	-7,567	-6,209
Total work in progress for third parties	3,813	-683
Work in progress for third parties	4,085	289
Prepayments received from work in progress for third parties, short-term payables	-273	-971
Total	3,812	-682

	31.12.23	31.12.22
	DKK '000	DKK '000

8. Other provisions

Other provisions are expected to be distributed as follows:

Non-current liabilities	397	0
Current liabilities	360	1,444
Total	757	1,444

Other provisions are recognized provision for guarantee commitments for a total of 757 DKK'000.

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.

9. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 21 and 35 months and total lease payments of DKK 327k.

Guarantee commitments

The company has posted a bank guarantee for warranty obligations for DKK 4.208k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company EHNH A/S.

10. Related parties

The company is included in the consolidated financial statements of the parent Insero Horsens, CVR-nr. 31 10 38 43.

11. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

Change in accounting policies

The company has changed its accounting policies in the following areas:

Presentation of income in the income statement

The company has reclassified income associated with the capitalization of internally generated work in the income statement, as management believes that this will provide a fairer presentation. Internally generated work is no longer offset against personnel costs. Going forward, this account item is presented on a separate line named "Work performed for own account and capitalized under assets." This account item is consolidated with other items and contributes to the company's gross profit according to the accounting practices applied. The change in accounting practice has a negative impact on personnel costs for 2023 by t.DKK 1,304 and for 2022 by t.DKK 112, with a corresponding positive effect on gross profit. Comparative figures have been restated in accordance with the new accounting policy. The change in accounting policy does not affect the year's result, equity, or balance sheet.

11. Accounting policies - continued -

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

11. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, work performed for own account and capitalised, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Completion is measured by realised hours measured against estimated hours.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including gains on the sale of property, plant and equipment.

11. Accounting policies - continued -**Cost of sales**

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise selling costs, vehicle expenses, cost of premises and administrative expenses

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Completed development projects	3-5	
Acquired rights	3-5	0
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

11. Accounting policies - continued -**Other net financials**

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets***Completed development projects*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

11. Accounting policies - continued -*Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

11. Accounting policies - continued -

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

11. Accounting policies - continued -

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

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.

11. Accounting policies - continued -**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to other items where temporary differences have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.