TIMELOG A/S

Lindevangs Alle 12, 2., 2000 Frederiksberg
CVR-nr. 25 89 69 39

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 24 April 2025

Eivind Bergsmyr

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

Contents

Company Details

Company	TIMELOG A/S Lindevangs Alle 12, 2. 2000 Frederiksberg	
	CVR No.:	25 89 69 39
	Established:	7 February 2001
	Municipality:	Frederiksberg
	Financial Year:	1 January - 31 December
Board of Directors	Eivind Bergsmyr, chairman Anne Lise Waal Sascha Elizabeth Houlberg Skydsgaard Anders Endresen Løe Joo Runge	
Executive Board	Per-Henrik Ole Nielsen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of TIMELOG A/S for the financial year 1 January - 31 December 2024.

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 at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Frederiksberg, 10 April 2025

Executive Board

Per-Henrik Ole Nielsen

Board of Directors

Eivind Bergsmyr Chairman	Anne Lise Waal	Sascha Elizabeth Houlberg Skydsgaard
Anders Endresen Løe	Joo Runge	

Independent Auditor's Report

To the Shareholder of TIMELOG A/S

Opinion

We have audited the Financial Statements of TIMELOG A/S for the financial year 1 January - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Independent Auditor's Report

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 10 April 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

Management Commentary

Principal activities
TimeLog A/S develops and implements web-based PSA solutions (Professional Services Automation) towards the Northern European market. The company's business model is based on SaaS (Software as a Service) and the majority of the company's income is based on a fixed contractual basis with long-term contracts with a average Life-Time-Value of more than 7 years.

Development in activities and financial and economic position
The company has completed a merger, with accounting effect from January 1 2024, with the subsidiaries AutoPilot ApS and CodeCreator ApS. Timelog A/S is the continuing company in the merger. The merger has resulted in the annual report for 2024 showing the combined activity for the three companies. In accordance with the rules of the Danish Financial Statements Act, comparative figures have been adjusted accordingly, so that comparative figures similarly show the combined activity for the three companies.

As a result of the merger, the majority of the company's deferred tax assets, which had not been recognized in previous financial years, are utilized. The recognition of the tax value of the deferred tax losses thus has a significant positive impact on the annual result.

Significant events after the end of the financial year
The merger mentioned above has been legally effective after the balance sheet date, in addition to this, no events have occurred after the end of the financial year of material importance for the Company's financial position.

Treasury shares

	2024 DKK	2023 DKK
The amount of own shares comprise of:		
2114, 1 unit in the denomination of 2.144 DKK	2.144	2.144
	2.144	**2.144**
Own shares in % of share capital:		
Timelog A/S	0,2	0,2
	0,2	**0,2**

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross profit		**48.856.088**	**47.763.067**
Staff costs	1	-39.720.960	-47.360.489
Depreciation, amortisation and impairment losses for tangible and intangible assets		-7.266.300	-3.622.944
Operating profit		**1.868.828**	**-3.220.366**
Other financial income	2	137.464	586.615
Other financial expenses	3	-376.027	-161.073
Profit before tax		**1.630.265**	**-2.794.824**
Tax on profit/loss for the year	4	4.552.456	544.855
Profit for the year		**6.182.721**	**-2.249.969**

Proposed distribution of profit

Retained earnings		6.182.721	-2.249.969
Total		**6.182.721**	**-2.249.969**

Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Development projects completed, including patents and similar rights originating from development projects		15.776.179	12.122.505
Goodwill		20.416.869	23.333.564
Development projects in progress and prepayments for intangible assets		7.346.610	7.813.159
Intangible assets	5	**43.539.658**	**43.269.228**
Other plant, fixtures and equipment		53.356	166.577
Leasehold improvements		201.856	278.754
Property, plant and equipment	6	**255.212**	**445.331**
Investments in subsidiaries		297.556	297.556
Deferred tax assets		4.593.000	720.375
Rent deposit and other receivables		1.181.559	1.162.682
Financial non-current assets	7	**6.072.115**	**2.180.613**
Non-current assets		**49.866.985**	**45.895.172**
Trade receivables		6.451.156	2.838.235
Receivables from group enterprises		314.103	314.103
Other receivables		239.611	543.971
Prepayments		1.703.345	442.118
Receivables		**8.708.215**	**4.138.427**
Cash and cash equivalents		**7.514.855**	**10.116.363**
Current assets		**16.223.070**	**14.254.790**
Assets		**66.090.055**	**60.149.962**

Balance Sheet at 31 December

Equity and liabilities

	Note	2024 DKK	2023 DKK
Share capital		909.342	909.342
Reserve for development costs		18.035.776	15.549.818
Retained earnings		22.866.706	19.169.943
Equity		**41.811.824**	**35.629.103**
Trade payables		5.771.520	3.785.804
Corporation tax payable		77.821	221.415
Other liabilities		5.168.270	9.075.510
Deferred income		13.260.620	11.438.130
Current liabilities		**24.278.231**	**24.520.859**
Liabilities		**24.278.231**	**24.520.859**
Equity and liabilities		**66.090.055**	**60.149.962**
Contingencies etc.	8		

Equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2024	909.342	15.549.818	22.421.385	38.880.545
Additions/disposals relating to equity by mergers and acquisitions			-3.251.442	-3.251.442
Adjusted equity at 1 January 2024	**909.342**	**15.549.818**	**19.169.943**	**35.629.103**
Proposed profit allocation			6.182.721	6.182.721
Other legal bindings				
Capitalized development costs		7.346.610	-7.346.610	0
Transfers				
Depreciations		-4.159.485	4.159.485	0
Tax on changes in equity		**-701.167**	**701.167**	**0**
Equity at 31 December 2024	**909.342**	**18.035.776**	**22.866.706**	**41.811.824**

Notes

	2024 DKK	2023 DKK
1 | Staff costs		
Average number of full time employees	62	71
Wages and salaries	36.048.289	43.083.420
Pensions	3.078.049	3.667.662
Social security costs	594.622	609.407
	39.720.960	**47.360.489**

2 | Other financial income		
Interest income from group enterprises	188	129
Other interest income	137.276	586.486
	137.464	**586.615**

3 | Other financial expenses		
Other interest expenses	376.027	161.073
	376.027	**161.073**

4 | Tax on profit/loss for the year		
Calculated tax on taxable income of the year	26.550	759.781
Adjustment of tax in previous years	-706.381	-593.195
Adjustment of deferred tax	-3.872.625	-711.441
	-4.552.456	**-544.855**

Notes

5 | Intangible assets

DKK	Development projects completed, including patents and similar rights originating from development projects	Goodwill	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2024	1.938.771	30.021.956	18.859.285
Transfer	18.859.285	0	-18.859.285
Additions	0	0	7.346.610
Cost at 31 December 2024	**20.798.056**	**30.021.956**	**7.346.610**
Amortisation at 1 January 2024	862.392	6.688.391	0
Amortisation for the year	4.159.485	2.916.696	0
Amortisation at 31 December 2024	**5.021.877**	**9.605.087**	**0**
Carrying amount at 31 December 2024	**15.776.179**	**20.416.869**	**7.346.610**

The development projects outlined herein pertain to the enhancement of existing functionalities or the creation of new modules aimed at enhancing the use for both current customers and prospective customers of TimeLog.

Costs associated with these projects predominantly comprise internal expenditures, delineated by hours logged through the company's internal time registration system.

The software is expected to be sold in the present markets to both the company’s new and existing customers.

Completed development projects are depreciated over 5 years. The upward trajectory in the number of users engaging with the company’s platform bolsters management’s confidence in the platform's sustained value proposition.

6 | Property, plant and equipment

DKK	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2024	1.602.113	384.800
Cost at 31 December 2024	**1.602.113**	**384.800**
Depreciation and impairment losses at 1 January 2024	1.435.536	106.047
Depreciation for the year	113.221	76.897
Depreciation and impairment losses at 31 December 2024	**1.548.757**	**182.944**
Carrying amount at 31 December 2024	**53.356**	**201.856**

Notes

7 | Financial non-current assets

DKK	Investments in subsidiaries	Deferred tax assets	Rent deposit and other receivables
Cost at 1 January 2024	297.556	720.375	1.162.682
Additions	0	3.872.625	18.877
Cost at 31 December 2024	**297.556**	**4.593.000**	**1.181.559**
Carrying amount at 31 December 2024	**297.556**	**4.593.000**	**1.181.559**

Investments in subsidiaries

Name and domicil	Ownership
Autopilot Plus Ltd. , United Kingdom	100 %

8 | Contingencies etc.

Contingent liabilities

	2024 DKK	2023 DKK
Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	6.017.179	7.426.315
	6.017.179	**7.426.315**

Accounting Policies

The Annual Report of TIMELOG A/S for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Merger
Management has in the financial year 2024 merged CodeCreator ApS and AutoPilot ApS with its group company Timelog A/S, with Timelog A/S as the continuing company.

Merger acquisitions within the group are recognized in the financial statement in accordance with the combination method. The combination method is applied when merging enterprises within the Group according to which method the merger is regarded as having taken place from the earliest financial period included in the Financial Statements and using the carrying amounts of the assets and liabilities taken over.

Income Statement

Net revenue
Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Own work capitalised
Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Accounting Policies

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Balance Sheet

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired Company’s position in the market and earnings profile, and the industry-specific conditions.

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 anufacture, 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 in the 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.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Other plant, fixtures and equipment and leasehold improvements measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment	3-5 years
Leasehold improvements	5 years

Accounting Policies

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

The combination method is applied when merging enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Accounting Policies

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Treasury Shares

Treasury shares acquired by the company are recognized as a reduction in equity. Consideration received upon the disposal of treasury shares is recognized directly in equity. Treasury shares are not recognized as an asset in the balance sheet.

Upon acquisition of treasury shares, equity is reduced by the purchase price, and upon sale of treasury shares, equity is increased by the sale price. Any differences between the purchase and sale prices are recognized directly in equity.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.