Nextway Software A/S

Birk Centerpark 40, 7400 Herning

CVR no. 10 10 41 06

Annual report 2021/22

Approved at the Company's annual general meeting on 28 November 2022

Chair of the meeting:

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Thomas Hougaard-Enevoldsen

Contents

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 Nextway Software A/S for the financial year 1 July 2021 - 30 June 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 June 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 July 2021 - 30 June 2022.

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

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

Herning, 9 November 2022
Executive Board:

Kim Hellum	Thomas Hougaard-Enevoldsen

Board of Directors:

Lars Erik Rüger Jepsen Chair	Carl Aage Nielsen	Bjarne Aarup Andersen

Independent auditor's report

To the shareholders of Nextway Software A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Nextway Software A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2021 - 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "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 Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Report on other legal and regulatory requirements

Non-compliance with the provisions of Danish law regarding shareholder loans

The company has transferred money to one of its shareholders, thus breaching section 210 of the Danish Companies Act, and Management may incur liability in this respect.The loan to the Company's shareholders has been repaid after the financial year end.

Herning, 9 November 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Karsten Mehlsen
State Authorised Public Accountant
mne18473

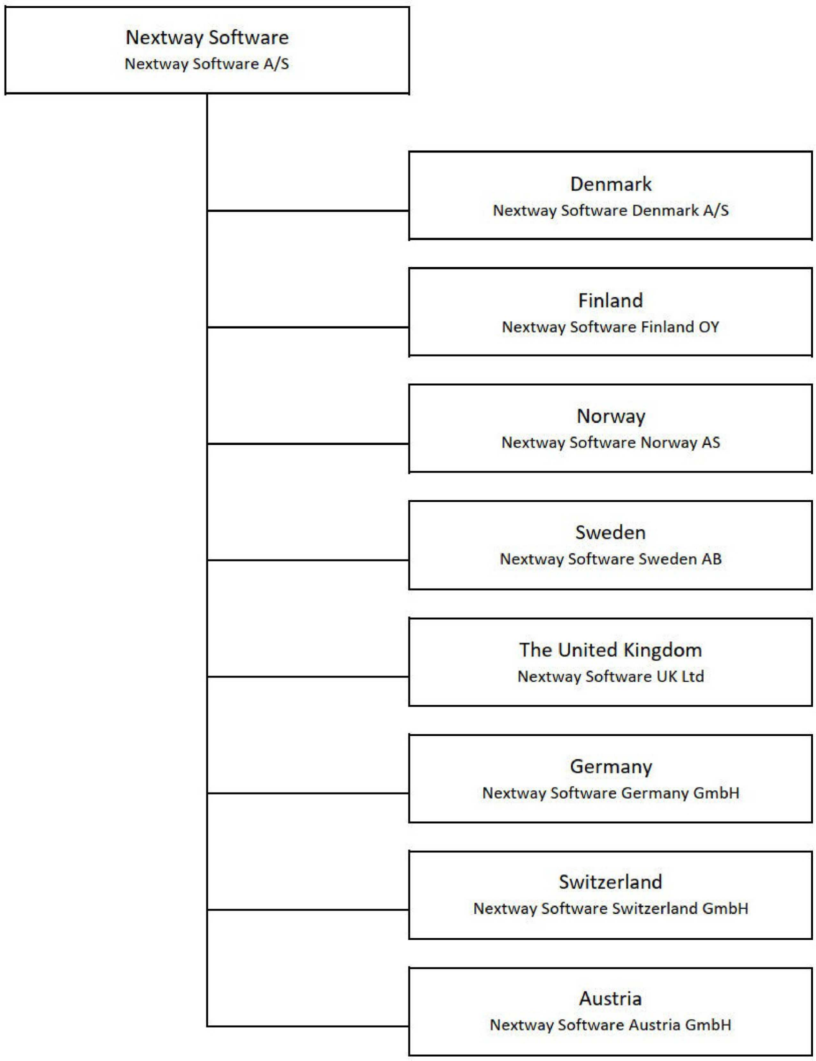
Management's review

Company details

Name	Nextway Software A/S
Address, Postal code, City	Birk Centerpark 40, 7400 Herning
CVR no.	10 10 41 06
Established	14 December 1985
Registered office	Herning
Financial year	1 July 2021 - 30 June 2022
Board of Directors	Lars Erik Rüger Jepsen, Chair
	Carl Aage Nielsen
	Bjarne Aarup Andersen
Executive Board	Kim Hellum
	Thomas Hougaard-Enevoldsen
Auditors	EY Godkendt Revisionspartnerselskab
	Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Group chart



Nextway Software A/S owns all local subsidaries, but for historical reasons, 50% of Nextway Software Germany GmbH is owned through Nextway Software Denmark A/S, and Nextway Software Austria GmbH is owned 100% through Nextway Software Switzerland GmbH.

Management's review

Financial highlights for the Group

EUR	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Gross profit	6,828,040	6,887,285	6,100,800	5,663,901	5,969,955
Operating profit/loss	584,959	679,130	-413,596	-429,133	216,130
Net financials	11,660	-176,255	-29,384	-79,533	-150,113
Profit for the year	**524,524**	**475,329**	**-346,828**	**-421,497**	**-31,614**
Total assets	7,853,501	8,453,808	7,762,236	6,314,243	6,521,192
Equity	**1,987,778**	**1,491,882**	**961,667**	**1,391,698**	**1,810,883**
Cash flows from operating activities	359,954	2,104,989	1,584,200	-149,519	585,720
Net cash flows from investing activities	-554,061	-527,912	-593,679	-658,843	-600,344
Amount relating to investments in property, plant and equipment	-61,493	-24,037	0	0	0
Cash flows from financing activities	-672,115	0	0	0	1,012,604
Total cash flows	**-866,222**	**1,577,077**	**990,521**	**-808,362**	**997,980**
Financial ratios					
Current ratio	119.1%	102.4%	88.0%	87.9%	99.4%
Equity ratio	25.3%	17.6%	12.4%	22.0%	27.8%
Return on equity	30.1%	38.7%	-29.5%	-26.3%	-1.8%
Return on assets	3.6%	8.4%	-5.3%	-6.7%	3.5%
Average number of full-time employees	**52**	**54**	**60**	**63**	**57**

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

Management's review

Business review

Nextway Software Group helps companies harvest the benefits of digitalization, by replacing processes involving paper, pdf's, spreadsheets, and emails with easy-to-use software.

Our mission is to make companies more efficient, and people's live at work easier. To many of our customers we deliver, maintain and support business critical software.

Our standard products are based on our own software platform Next®, which has a proven performance record in companies throughout the world and in almost any line of business.

Headquartered in Denmark and with own staffed offices in Switzerland, Germany, Denmark, and Finland, supplemented by staff in Norway and in Austria, we are operating as an international company, serving European customers on a local and global scale. Our set-up enables us to engage with the majority of our customers with local staff backed by international specialists.

We also provide our software as OEM and through implementation partners.

The parent company holds the development activities of the Nextway Software group and acts as holding company for all daughter entities.

Value-generating revenue streams

We have four primary revenue streams:

- Software as a Service
- Software licenses as subscription
- Software maintenance
- Consultancy

In addition to this, we invest in new software products, to secure our future growth.

This year met our expectations and goals set forward for the year. We have managed to sustain the revenue level achieved in the previous financial year alongside a successful start of the transition into an annual recurring revenue business model.

Our two strategic market segments 'Insurance & finance' plus 'Manufacturing & Logistics' were the foundation for the results generated in this financial year.

Primary costs

Our primary costs are staff costs for professional services consultants, software engineers, product managers, sales execs, supporting staff, and management.

Other costs

Our organization operate as 'one international software company', allowing us to employ resources wherever they are available and deploy the resources wherever they are needed. This organizational approach enables us continuously to optimize the total admin costs of the company.

Operational result

As expected in last years annual report the Group has shown a positive development in financial result from €475.329 to €524.524. The Group gross profit of the year is index 99 compared to FY 2020/2021. For the parent company the index is 85 compared to FY 2020/2021. This year's Group operational result (EBITDA) is at index 90 compared to last year, which is a natural consequence of change in income recognition due to sales on the "Software as a service" business model. For the parent company the EBITDA is at index 64 compared to last year.

Management's review

Non-operational costs

When we invest in new software, we will see increased depreciations from the moment the new software reaches the market. In financial year 21/22, like previous years, we successfully launched new products as well as extensions to our existing product portfolio. The depreciations are now balancing with the investments and are expected to stay stable.

Result before tax (excluding internal currency adjustments)

Our positive result before tax (EBT), represent a reasonable profit for the company. Following our 'Best in class 2.0 strategy' we will continue to invest in the right strategic initiatives, enabling us to grow this result as the strategy unwinds in the coming years.

Tax

Nextway is currently not subject to joint taxation and is taxed locally in each operating market, which is supported by a well-documented transfer pricing policy.

Shareholder loan

When reviewing the year end accounts it was recognized that a previous legal bookkeeping procedure by mistake had been continued after a previous majority shareholder (+50% ownership) had become a minority shareholder (-50% ownership). Immediately after this was recognized, the procedure was changed, and the shareholder loan was instantly paid back to the company.

Recognition and measurement uncertainties

The valuation of our intangible assets (goodwill and development projects) are based on assumptions about the future. Assumptions about the future, expressed as budgets and business cases, always come with a degree of uncertainty. The performance related to software-product business cases is evaluated periodically, and impairment is tested by our independent auditors.

Financial review

Our Group financial performance is in line with the result in FY 2020/2021. Management finds this satisfactory, taking the financial effects of the business model transition into consideration.

Knowledge resources

As a professional provider of business-critical software, Nextway is dependent on highly skilled and knowledgeable employees throughout the organization. We continuously invest in developing our organization. At the center of these efforts is a set of appreciated core values: Easy, Respectful, Unified, Smart, and Ambitious. Nextway is big enough to matter, and small enough to care.

Financial risks and use of financial instruments

Nextway's business involves a number of commercial and financial risk elements, but only those considered normal for a software vendor.

Research and development activities

Nextway is continuously investing in our primary intangible asset – Next. This development is done with own resources and with addition of external parties when required. We believe that developing new products, modules and features is the key to secure that we reach our strategic goals and stay relevant at our existing customers.

Statutory CSR report

For Nextway, it is a strategic goal to be 'a responsible global citizen'. We accept and embrace our responsibilities towards the world community, the surrounding societies, our customers, partners, and competitors and our employees. Look up our CSR charter at www.nextway.software

Management's review

Events after the balance sheet date

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

Outlook

Nextway Software Group closed the books for year 2021/2022 with a reasonable profit of €524.524 compared to €475.329 for 2020/2021.

We will pursue the agreed strategy plan Best in Class 2.0, that aims at achieving steady organic growth, through an increased market focus.

Furthermore, the efforts in changing the business model towards Software as a service and subscription-based license sales will continue.

In selected industries, such as insurance, finance, manufacturing, and logistics, we see a solid demand for our solutions.

An up-to-date product portfolio, a growing customer base, a solid backlog, and a strong sales pipe is our foundation.

We therefore expect to see positive financial results in the future. In 2022/2023 we expect the Group Gross profit to exceed € 7.000.000 and a EBT to exceed € 600.000. For the parent company we expect in 2022/23 that the Gross profit will exceed € 1.000.000 and a EBT to exceed € 600.000. There can however be a short-term effect from the revised income recognition on "Software as a service" that will affect these goals.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Income statement

		Group		Parent company	
Note	EUR	2021/22	2020/21	2021/22	2020/21
	Gross profit	6,828,040	6,887,285	1,132,393	1,319,096
3	Staff costs	-5,535,041	-5,460,635	-681,831	-615,489
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-708,040	-747,520	-531,754	-533,938
	Profit/loss before net financials	584,959	679,130	-81,192	169,669
	Income from investments in group enterprises	0	0	491,357	388,533
4	Financial income	120,792	4,200	138,252	15,472
	Financial expenses	-109,132	-180,455	-71,230	-176,352
	Profit before tax	596,619	502,875	477,187	397,322
5	Tax for the year	-72,095	-27,546	47,339	78,008
	Profit for the year	524,524	475,329	524,526	475,330

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Balance sheet

Note	EUR	Group 2021/22	Group 2020/21	Parent company 2021/22	Parent company 2020/21
	ASSETS				
	Non-current assets				
6	**Intangible assets**				
	Completed development projects	1,277,748	1,417,485	1,273,576	1,402,519
	Acquired intangible assets	19,019	38,810	19,019	38,810
	Goodwill	1,017,121	1,138,378	0	0
	Development projects in progress and prepayments for intangible assets	291,919	145,166	291,919	145,166
		2,605,807	2,739,839	1,584,514	1,586,495
7	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	80,620	86,198	11,116	1,588
	Leasehold improvements	3,357	4,923	0	0
		83,977	91,121	11,116	1,588
8	**Financial assets**				
	Investments in group enterprises	0	0	3,260,921	2,965,084
	Receivables from group enterprises	0	0	613,373	473,015
		0	0	3,874,294	3,438,099
	Total non-current assets	2,689,784	2,830,960	5,469,924	5,026,182
	Current assets				
	Receivables				
	Trade receivables	1,179,650	1,035,643	0	0
	Work in progress	948,558	1,057,988	0	0
	Receivables from group enterprises	0	0	424,990	76,913
	Corporation tax receivable	66,727	266,863	124,752	284,228
	Other receivables	589,016	293,288	319,767	169,063
9	Receivables from owners and Management	131,985	55,430	131,985	55,430
10	Prepayments	697,250	502,623	104,314	122,302
		3,613,186	3,211,835	1,105,808	707,936
	Cash	1,550,531	2,411,013	58,446	136,797
	Total current assets	5,163,717	5,622,848	1,164,254	844,733
	TOTAL ASSETS	7,853,501	8,453,808	6,634,178	5,870,915

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Balance sheet

		Group		Parent company	
Note	EUR	2021/22	2020/21	2021/22	2020/21
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	149,209	149,274	149,209	149,274
	Reserve for development costs	0	0	1,221,573	1,202,918
	Retained earnings	1,838,569	1,342,608	616,998	139,691
	Total equity	1,987,778	1,491,882	1,987,780	1,491,883
	Liabilities				
12	**Non-current liabilities**				
13	Deferred tax	186,873	128,340	200,260	175,810
	Subordinate loan capital	1,344,231	1,344,779	1,344,231	1,344,779
	Total non-current liabilities	1,531,104	1,473,119	1,544,491	1,520,589
	Current liabilities				
	Bank debt	9,920	4,180	6,481	3,716
	Trade payables	304,875	325,972	101,337	134,319
	Payables to group enterprises	0	0	2,777,000	1,769,046
	Corporation tax payable	439	0	0	0
	Payables to shareholders and management	0	672,115	0	672,115
	Other payables	1,826,452	3,005,098	217,089	279,247
14	Deferred income	2,192,933	1,481,442	0	0
	Total current liabilities	4,334,619	5,488,807	3,101,907	2,858,443
	Total liabilities	5,865,723	6,961,926	4,646,398	4,379,032
	TOTAL EQUITY AND LIABILITIES	7,853,501	8,453,808	6,634,178	5,870,915

1 Accounting policies
2 Recognition and measurement uncertainties
15 Contractual obligations and contingencies, etc.
16 Collateral
17 Related parties
18 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Statement of changes in equity

		Group		
Note	EUR	Share capital	Retained earnings	Total
	Equity at 1 July 2020	148,942	812,725	961,667
	Transfer through appropriation of profit	0	475,329	475,329
	Adjustment of investments through foreign exchange adjustments	332	54,554	54,886
	Equity at 1 July 2021	149,274	1,342,608	1,491,882
	Transfer through appropriation of profit	0	524,524	524,524
	Adjustment of investments through foreign exchange adjustments	-65	-28,563	-28,628
	Equity at 30 June 2022	149,209	1,838,569	1,987,778

		Parent company			
Note	EUR	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 July 2020	148,942	1,193,317	-380,592	961,667
18	Transfer, see "Appropriation of profit"	0	9,601	465,729	475,330
	Adjustment of investments through foreign exchange adjustments	332	0	54,554	54,886
	Equity at 1 July 2021	149,274	1,202,918	139,691	1,491,883
18	Transfer, see "Appropriation of profit"	0	18,655	505,871	524,526
	Adjustment of investments through foreign exchange adjustments	-65	0	-28,564	-28,629
	Equity at 30 June 2022	149,209	1,221,573	616,998	1,987,780

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Cash flow statement

Note	EUR	Group 2021/22	Group 2020/21
	Profit for the year	524,524	475,329
19	Adjustments	768,477	951,320
	Cash generated from operations (operating activities)	1,293,001	1,426,649
20	Changes in working capital	-1,031,215	613,561
	Cash generated from operations (operating activities)	261,786	2,040,210
	Interest received, etc.	26,005	4,200
	Interest paid, etc.	-109,133	-104,530
	Income taxes received	181,296	165,109
	Cash flows from operating activities	359,954	2,104,989
	Additions of intangible assets	-526,833	-523,255
	Additions of property, plant and equipment	-61,493	-24,037
	Disposals of property, plant and equipment	34,265	19,380
	Cash flows to investing activities	-554,061	-527,912
	Repayments, short-term loan	-672,115	0
	Cash flows from financing activities	-672,115	0
	Net cash flow	-866,222	1,577,077
	Cash and cash equivalents at 1 July	2,406,833	829,756
21	**Cash and cash equivalents at 30 June**	1,540,611	2,406,833

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies

The annual report of Nextway Software A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements 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 is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in EURO (EUR).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 **Accounting policies (continued)**

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.

Foreign group entities

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably, and payment is expected to be received.

Income from the sale of goods and services, including Management fees and royalty, is recognised in the income statement when the goods or services in question have been delivered and the risk has been transferred to the buyer provided that the income can be measured reliably and is expected to be received.

Income from the provision of services as consultancy hours is recognised as revenue as the services are provided. Accordingly, revenue corresponds to the selling price of services performed during the year (percentage of completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and 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	5 years
Acquired intangible assets	3-5 years
Goodwill	20 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

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.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over 20 years. Amortization assessment is based on the long time history of the group, the strategy for the future with an expected strong marked position founded form the originally platform which will last at least 20 years. The client life cycle is long and 20 years is considered appropriate.

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 5 years.

Acquired intangible assets include software and trademarks, which are measured at cost less accumulated amortisation and impairment losses. Software is amortised over 3-5 years, whereas trademarks are not amortised.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

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 non-current 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.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

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 estimated reliably, the market value is measured at the expenses 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 work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Work in progress includes license income which has been recognized as income but not yet invoiced.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

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.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

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

Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

2 Recognition and measurement uncertainties

At the end of the year, Nextway Software A/S has capitalised consolidated goodwill of EUR 1.0 million, primarily relating to the concentration of the Group's operating companies as wholly-owned subsidiaries.

During the year, the Company performed an impairment test of the recognised goodwill. The test did not result in any reason for the Company to write down the accounting values. Due to several key assumptions, the impairment test are associated with uncertainty, including Management's expectations as to the Company's budget for the coming years, the growth rate in the terminal period and the discount factor. In the case that the assumptions used develop negatively, impairment losses may need to be recognised in the coming financial years.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

		Group		Parent company	
	EUR	2021/22	2020/21	2021/22	2020/21
3	**Staff costs**				
	Wages/salaries	4,877,808	4,753,312	575,853	553,123
	Pensions	466,410	400,828	102,841	59,835
	Other social security costs	190,823	306,495	3,137	2,531
		5,535,041	5,460,635	681,831	615,489
	Average number of full-time employees	52	54	3	3

Group

Total remuneration to group Management: EUR 670 thousand (2020/21: EUR 673 thousand).
Total remuneration to board of directors in parent company: EUR 60 thousand (2020/21: EUR 43 thousand)

Parent company

Total remuneration to Management: EUR 670 thousand (2020/21: EUR 673 thousand).
Total remuneration to board of directors: EUR 60 thousand (2020/21: EUR 43 thousand)

		Group		Parent company	
	EUR	2021/22	2020/21	2021/22	2020/21
4	**Financial income**				
	Interest receivable, group entities	0	0	18,189	15,138
	Other financial income	120,792	4,200	120,063	334
		120,792	4,200	138,252	15,472
5	**Tax for the year**				
	Estimated tax charge for the year	31,247	43,627	-71,861	-17,381
	Deferred tax adjustments in the year	17,194	7,566	868	-36,980
	Tax adjustments, prior years	23,654	-23,647	23,654	-23,647
		72,095	27,546	-47,339	-78,008

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

6 Intangible assets

	Group				
EUR	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 July 2021	3,321,974	259,999	3,576,727	145,166	7,303,866
Forreign exchange adjustments	22,245	841	-1,539	-81	21,466
Additions	346,460	4,154	0	176,219	526,833
Transferred	29,385	0	0	-29,385	0
Cost at 30 June 2022	3,720,064	264,994	3,575,188	291,919	7,852,165
Impairment losses and amortisation at 1 July 2021	1,904,489	221,189	2,438,349	0	4,564,027
Foreign exchange adjustments	21,291	854	-1,089	0	21,056
Amortisation for the year	516,536	23,932	120,807	0	661,275
Impairment losses and amortisation at 30 June 2022	2,442,316	245,975	2,558,067	0	5,246,358
Carrying amount at 30 June 2022	1,277,748	19,019	1,017,121	291,919	2,605,807
Amortised over	5 years	3-5 years	20 years		

	Parent company			
EUR	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 July 2021	3,114,473	235,716	145,166	3,495,355
Forreign exchange adjustments	-1,349	-107	-81	-1,537
Additions	346,460	4,154	176,219	526,833
Transferred	29,385	0	-29,385	0
Cost at 30 June 2022	3,488,969	239,763	291,919	4,020,651
Impairment losses and amortisation at 1 July 2021	1,711,954	196,906	0	1,908,860
Foreign exchange adjustments	-804	-94	0	-898
Amortisation for the year	504,243	23,932	0	528,175
Impairment losses and amortisation at 30 June 2022	2,215,393	220,744	0	2,436,137
Carrying amount at 30 June 2022	1,273,576	19,019	291,919	1,584,514
Amortised over	5 years	3-5 years		

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

6 Intangible assets (continued)

Completed development projects (Group and entity)

The company continuously recognizes development costs for a number of individual development projects. The development projects are initiated after an assessment phase and based on both the company's own and the customers' identified needs for new products and functionalities in the company's software, etc.
In connection with the initiation of a development project, a business plan is prepared and there is an ongoing assessment of whether this business plan is complied with and followed.
Development costs included in the balance sheet consist partly of ongoing development projects and partly of completed development projects. The usual development period typically extends over 1-3 years depending on the individual project.
The recognised costs consist partly of hours incurred within the Group and partly of external costs incurred.
All development projects are individually assessed to see whether they meet the criteria for recognition set out in the Danish Financial Statements Act Section 83 and IAS 38 as interpretation.

7 Property, plant and equipment

	Group		
EUR	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 July 2021	803,328	224,587	1,027,915
Foreign exchange adjustments	8,809	-7	8,802
Additions	61,493	0	61,493
Disposals	-35,079	0	-35,079
Cost at 30 June 2022	838,551	224,580	1,063,131
Impairment losses and depreciation at 1 July 2021	717,130	219,664	936,794
Foreign exchange adjustments	7,047	-7	7,040
Depreciation	46,341	1,566	47,907
Reversal of accumulated depreciation and impairment of assets disposed	-12,587	0	-12,587
Impairment losses and depreciation at 30 June 2022	757,931	221,223	979,154
Carrying amount at 30 June 2022	80,620	3,357	83,977
Depreciated over	3-5 years	5 years	

Note 16 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

7 Property, plant and equipment (continued)

EUR	Parent company Fixtures and fittings, other plant and equipment
Cost at 1 July 2021	8,490
Foreign exchange adjustments	-3
Additions	13,107
Cost at 30 June 2022	21,594
Impairment losses and depreciation at 1 July 2021	6,902
Foreign exchange adjustments	-3
Depreciation	3,579
Impairment losses and depreciation at 30 June 2022	10,478
Carrying amount at 30 June 2022	11,116
Depreciated over	3-5 years

Note 16 provides more details on security for loans, etc. as regards property, plant and equipment.

8 Financial assets

	Parent company		
EUR	Investments in group enterprises	Receivables from group enterprises	Total
Cost at 1 July 2021	8,636,370	781,113	9,417,483
Foreign exchange adjustments	-3,948	-339	-4,287
Additions	0	40,551	40,551
Cost at 30 June 2022	8,632,422	821,325	9,453,747
Value adjustments at 1 July 2021	-5,671,286	-308,098	-5,979,384
Foreign exchange adjustments	-25,223	146	-25,077
Profit/loss for the year	612,164	0	612,164
Changes in equity	-51	0	-51
Transferred impairment losses on loans at beginning of year	-120,807	0	-120,807
Amortisation of consolidated goodwill	-166,298	100,000	-66,298
Value adjustments at 30 June 2022	-5,371,501	-207,952	-5,579,453
Carrying amount at 30 June 2022	3,260,921	613,373	3,874,294

Investments in group enterprises consists partly of recognized goodwill. Goodwill amounts to EUR 1.0 million for 2021/22 comprised herein (2020/21: EUR 1.1 million).

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

8 Investments (continued)

Parent company

Name	Domicile	Interest	Equity EUR	Profit/loss EUR
Subsidiaries				
Nextway Software Denmark A/S	Herning, DK	100.00%	816,414	274,908
Nextway Software Finland Oy	Helsinki, FI	100.00%	598,553	99,643
Nextway Software (UK) Ltd.	Cranfield, UK	100.00%	29,781	3,053
Nextway Software Norway AS	Oslo, NO	100.00%	666,677	37,424
Nextway Software Sweden AB	Malmø, SE	100.00%	132,377	22,065
Nextway Software Germany GmbH	Hamburg, DE	50.00%	-141,320	132,706
Nextway Software Switzerland GmbH	Buchs, CH	100.00%	589,168	116,169
Nextway Software Austria GmbH	Rankweil, AT	0.00%	-169,623	-7,452

Nextway Software Denmark A/S and Nextway Software A/S each hold 50% of Nextway Software Germany GmbH.

Nextway Software Switzerland GmbH is the wholly owner of Nextway Software Austria GmbH.

9 Receivables from owners and Management

Group

As of the 30th of June 2022 the group has transferred money to one of its shareholders. The loan amounts to EUR 132 thousand (2020/21: EUR 55 thousand). During financial year 2021/22 the loan has earned interest in the span 9.55% to 10.80% (2020/21: 9.65% - 10.05%).

The loan to the group's shareholder has been repaid after the financial year end.

Parent company

As of the 30th of June 2022 the group has transferred money to one of its shareholders. The loan amounts to EUR 132 thousand (2020/21: EUR 55 thousand). During financial year 2021/22 the loan has earned interest in the span 9.55% to 10.80% (2020/21: 9.65% - 10.05%).

The loan to the Company's shareholder has been repaid after the financial year end.

10 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years.

Parent company

Prepayments include accrual of expenses relating to subsequent financial years.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

11 Share capital

1,110,000 shares of DKK 1 nominal value. At 30 June 2022 this correspond to EUR 149,210.

12 Non-current liabilities

	Group			
EUR	Total debt at 30/6 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Deferred tax	186,873	0	186,873	0
Subordinate loan capital	1,344,231	0	1,344,231	1,344,231
	1,531,104	0	1,531,104	1,344,231

The subordinate loan is subordinated to all other debt that cannot be covered by the debtor's assets in the event that the Company files for bankruptcy, is wound up, or enters into agreements with creditors. The subordination does not apply in the event that the Company is reconstructed.

	Parent company			
EUR	Total debt at 30/6 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Deferred tax	200,260	0	200,260	0
Subordinate loan capital	1,344,231	0	1,344,231	1,344,231
	1,544,491	0	1,544,491	1,344,231

The subordinate loan is subordinated to all other debt that cannot be covered by the debtor's assets in the event that the Company files for bankruptcy, is wound up, or enters into agreements with creditors. The subordination does not apply in the event that the Company is reconstructed.

13 Deferred tax

Group

At 30 June 2022, the Group recognised a deferred tax liability totaling EUR 186,873 The tax liability is related to the difference between the accounting and tax values of intangible assets, items of property, plant and equipment and tax loss carryforwards.

Based on the budgets up until 2025/26, Management considers it likely that there will be future taxable income against which utilised tax losses and unutilised tax deductions can be offset.

14 Deferred income

Group

Deferred income consists of payments received from customers that may not be recognised until the subsequent financial year.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
EUR	2021/22	2020/21	2021/22	2020/21
Rent and lease liabilities	1,054,564	506,182	468,739	117,904

Parent company

The Company has issued a letter of support to Nextway Software Germany GmbH, stating that the Company will not request repayment of the loan for 12 months and confirming that it will continue to provide the subsidiary with financial support.

The Company is the administration company and has joint and several liability together with the other entities in the joint taxation arrangement for Danish corporate income taxes on dividends, interest and royalties. At 30 June 2022, payable corporate income tax amounted to EUR 0. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may entail that the Company's liability will increase.

16 Collateral

Group

The Group has provided operating equipment, unsecured claims and intellectual property rights with a carrying amount of EUR 2.047 thousand at 30 June 2022 as collateral for group entities' debt to credit institutions not exceeding EUR 538 thousand. The liability totalled EUR 6 thousand at 30 June 2022.

Parent company

The Company has provided operating equipment, unsecured claims and intellectual property rights with a carrying amount of EUR 2.047 thousand at 30 June 2022 as collateral for group entities' debt to credit institutions not exceeding EUR 538 thousand. The liability totalled EUR 6 thousand at 30 June 2022.

Consolidated financial statements and parent company financial statements 1 July 2021 - 30 June 2022

Notes to the financial statements

17 **Related parties**

Group

Related party transactions

The Group solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

		Parent company	
	EUR	2021/22	2020/21
18	**Appropriation of profit**		
	Recommended appropriation of profit		
	Other statutory reserves	18,655	9,601
	Retained earnings	505,871	465,729
		524,526	475,330

		Group	
	EUR	2021/22	2020/21
19	**Adjustments**		
	Amortisation/depreciation and impairment losses	708,041	747,520
	Financial income	-120,792	-4,200
	Financial expenses	109,133	180,454
	Tax for the year	72,095	27,546
		768,477	951,320
20	**Changes in working capital**		
	Change in receivables	-144,006	347,448
	Change in tradepayables and other payables	-429,729	100,369
	Other changes in working capital	-457,480	165,744
		-1,031,215	613,561
21	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	1,550,531	2,411,013
	Short-term debt to banks	-9,920	-4,180
		1,540,611	2,406,833

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Thomas Hougaard-Enevoldsen
Executive Board
On behalf of: Nextway Software A/S
Serial number: PID:9208-2002-2-558391128357
IP: 185.40.xxx.xxx
2022-11-10 11:30:32 UTC

Kim Hellum
Executive Board
On behalf of: Nextway Software A/S
Serial number: 1c78abe1-6190-407c-b1ad-44f16cd5855d
IP: 78.156.xxx.xxx
2022-11-10 12:17:32 UTC

Bjarne Aarup Andersen
Board of Directors
On behalf of: Nextway Software A/S
Serial number: 3ce8ddc8-e708-47c7-8417-51e1096b4552
IP: 92.246.xxx.xxx
2022-11-10 12:30:39 UTC

Lars Erik Rüger Jepsen
Board of Directors
On behalf of: Netway Software A/S
Serial number: 9ca6a763-9f92-402f-b545-fe7b0aba18fa
IP: 85.191.xxx.xxx
2022-11-10 21:17:51 UTC

Carl Aage Nielsen
Board of Directors
On behalf of: Nextway Software A/S
Serial number: 670b2327-a44f-4b5f-baa1-e229af12f141
IP: 83.92.xxx.xxx
2022-11-15 12:04:20 UTC

Karsten Mehlsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:14306588
IP: 145.62.xxx.xxx
2022-11-15 13:18:26 UTC

Thomas Hougaard-Enevoldsen
Chairman
On behalf of: Nextway Software A/S
Serial number: af25a2ba-9dd5-471b-b4bc-0dc3ebf2bc1e
IP: 158.248.xxx.xxx
2022-11-30 09:35:57 UTC