

# Minerva Group A/S

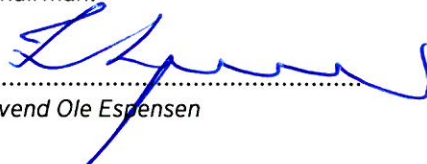
Hasselager Centervej 29, DK-8260 Viby J

CVR no. 17 63 07 84

## Annual report 2018/19

Approved at the Company's annual general meeting on 25 September 2019

Chairman:



.....  
Svend Ole Espensen





## Contents

Statement by Management	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Cash flow statement	14
Notes	15

## Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Minerva Group A/S for the financial year 1 June 2018 - 31 May 2019.

The annual report has been 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 31 May 2019 and of the results of their operations and consolidated cash flows for the financial year 1 June 2018 - 31 May 2019.

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

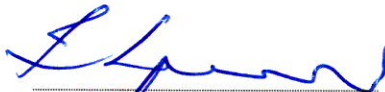
We recommend that the annual report be approved at the annual general meeting.

Aarhus, 25 September 2019  
Executive Board:



Asger Thierry

Board of Directors:



Svend Ole Espensen  
Chairman



Leon Lauritsen



Asger Thierry



Pauli Blegind Vaastrup



Jørgen Vilhelm L. Bardenheeth



May Wenche Strømsnes



Mikael Lyngsø

## **Independent auditor's report**

To the shareholders of Minerva Group A/S

### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Minerva Group A/S for the financial year 1 June 2018 - 31 May 2019, 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 31 May 2019 and of the results of the Group's and the Parent Company's operations as well as consolidated cash flows for the financial year 1 June 2018 - 31 May 2019 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of 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 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 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 and 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.

### 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.

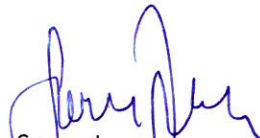
### Independent auditor's report

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.

Aarhus, 25 September 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jens Weiersøe Jakobsen  
State Authorised  
Public Accountant  
mne30152



Søren Jensen  
State Authorised  
Public Accountant  
mne34132

## Management's review

### Financial highlights for the Group

DKK	2018/19	2017/18
<b>Key figures</b>		
Gross profit	65,739,658	53,055,639
Operating profit	18,994,229	16,649,935
Profit/Loss from net financials	-96,025	-243,234
Profit for the year	14,685,204	12,347,250
Profit for the year after tax excl. non-controlling interests	14,507,002	12,238,543
Non-current assets	4,637,339	2,308,710
Current assets	46,186,303	41,137,861
Total assets	50,823,642	43,446,571
Amount relating to investments in property, plant and equipment	724,453	301,520
Equity excl. non-controlling interests	10,871,750	6,846,836
Equity incl. non-controlling interests	10,905,875	6,882,382
Provisions	3,192,417	1,937,228
Current liabilities other than provisions	36,725,350	33,542,558
<b>Financial ratios</b>		
Equity ratio (%)	21	16
Return on equity (%)	164	185
Average number of full-time employees	66	52

Financial highlights only include 2018/19 and 2017/18 figures as this is the first year consolidated financial statements are prepared.

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

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

Equity ratio	$\frac{\text{Equity ex. non-controlling interest at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests} \times 100}{\text{Average equity ex. non-controlling interests}}$



## Management's review

### Operating review

#### Principal activities of the Company

The company's aim is, through subsidiaries in Denmark, Sweden, England, Holland, France, Germany and the USA, to conduct business by supplying PLM consultancy and IT solutions for the optimization of manufacturing companies' development and delivery capability.

#### Development in activities and financial matters

Net profit was DKK 14.7 million and equity represented DKK 10.9 million at 31 May 2019. The profit for the year is considered satisfactory and in line with expectations.

Minerva Group continues its expansion. The rising demand for Minerva competencies worldwide has secured a controlled growth both financially and in human resources.

A larger organisational change, towards a team-oriented organisational design, has supported the growth, and proven to benefit the customers too.

Minerva Group A/S' subsidiaries have expanded their position as European and American market leaders in subscription-based PLM systems, adding several global multinational companies to its customer portfolio.

The Group has experienced great success in effective utilisation of all available resources and competencies within consulting, management, marketing, administration, support and IT infrastructure.

The main customers of the Minerva Group are large manufacturing companies within the Aviation, Automotive, and global Defense industry. Also a great number of Electronics and Medical Device companies have successfully implemented Minerva's own Electronic PLM and Medical Device PLM solutions addressing the common business challenges in the management of all product-related data in a product's life cycle.

Minerva Group A/Shas significantly grown its dedicated product organization focusing on the continued development of Electronic PLM and Medical Device PLM, which now stand out as market leading products within their market segments. Minerva Group A/S will continue to invest in research and development within the PLM field. A new framework, called Minerva Solutions, is being developed to strengthen its out-of-the-box solutions in the PLM market.

The further expansion of Minerva Informatic Germany GmbH with offices in Hamburg and Munich has contributed positively to the growth, as have Minerva France SARL with offices in Toulouse and Lyon. Both companies have more than doubled the number of employees in the past 12 months.

The focus on Human Resource has increased during the current year, securing an all-time high employee satisfaction survey. An increased focus on structuring the hiring process, as well as structuring on-boarding, and continued competence development process have secured the inflow of highly skilled resources in all parts of the organisation.

At the end of the financial year, the order book has reached the highest value in the Company's history.

#### Subsequent events

No post balance sheet events have occurred, having a material impact on the assessment of the annual report.

#### Expected development

Due to the large order intake and the strong market position, growth in size, revenue and profitability is expected.



## **Management's review**

### **Operating review**

During the coming financial year, increased investments are expected for research and development within the PLM field. A new framework, called Minerva Solutions, is being developed to strengthen its out-of-the-box solutions in the PLM market.

## Consolidated financial statements and parent company financial statements 1 June 2018 – 31 May 2019

### Income statement

Note	DKK	Group		Parent	
		2018/19	2017/18	2018/19	2017/18
	<b>Gross margin</b>	65,739,658	53,055,639	23,090,261	18,594,989
2	Staff costs	-45,822,108	-35,748,201	-10,652,099	-8,544,911
	Depreciation, amortisation and impairment				
3	losses	-923,321	-657,503	-634,526	-487,101
	<b>Operating profit/loss</b>	18,994,229	16,649,935	11,803,636	9,562,977
	Income from investments in group				
9	enterprises	0	0	5,305,499	4,860,937
4	Other financial income	34,864	60,850	100,477	140,792
5	Other financial expenses	-130,889	-304,084	-105,418	-251,827
	<b>Profit/loss before tax</b>	18,898,204	16,406,701	17,104,194	14,312,879
6	Tax on profit/loss for the year	-4,213,000	-4,059,451	-2,597,192	-2,074,336
	<b>Profit/loss for the year</b>	14,685,204	12,347,250	14,507,002	12,238,543
Breakdown of the consolidated profit/loss:					
	Shareholders in Minerva Group A/S	14,507,002	12,238,543		
	Non-controlling interests	178,202	108,707		
		14,685,204	12,347,250		

## Consolidated financial statements and parent company financial statements

### 1 June 2018 - 31 May 2019

#### Balance sheet

Note	DKK	Group		Parent	
		2018/19	2017/18	2018/19	2017/18
	<b>ASSETS</b>				
	<b>Non-current assets</b>				
7	<b>Intangible assets</b>				
	Completed development projects	3,379,297	1,627,535	3,379,297	1,627,535
		3,379,297	1,627,535	3,379,297	1,627,535
8	<b>Property, plant and equipment</b>				
	Fixtures and fittings, tools and equipment	762,746	419,099	315,112	96,914
		762,746	419,099	315,112	96,914
	<b>Fixed assets investments</b>				
9	Investments in group enterprises	0	0	5,182,773	5,851,173
	Other receivables	495,296	262,076	329,379	137,804
		495,296	262,076	5,512,152	5,988,977
	<b>Total non-current assets</b>	<b>4,637,339</b>	<b>2,308,710</b>	<b>9,206,561</b>	<b>7,713,426</b>
	<b>Current assets</b>				
	<b>Receivables</b>				
	Trade receivables	19,503,360	18,354,393	2,285,003	3,815,194
	Work in progress	1,343,614	0	0	0
13	Receivables from group enterprises	0	0	9,019,446	2,919,894
	Other short-term receivables	91,381	136,615	0	0
	Income tax	3,397,549	1,084,403	3,105,004	688,555
	Prepayments	12,930,803	10,376,362	10,662,222	2,302,006
		37,266,707	29,951,773	25,071,675	9,725,649
	<b>Cash</b>	<b>8,919,596</b>	<b>11,186,088</b>	<b>3,179,275</b>	<b>3,332,453</b>
	<b>Total current assets</b>	<b>46,186,303</b>	<b>41,137,861</b>	<b>28,250,950</b>	<b>13,058,102</b>
	<b>TOTAL ASSETS</b>	<b>50,823,642</b>	<b>43,446,571</b>	<b>37,457,511</b>	<b>20,771,528</b>



## Consolidated financial statements and parent company financial statements 1 June 2018 – 31 May 2019

### Balance sheet

Note	DKK	Group		Parent	
		2018/19	2017/18	2018/19	2017/18
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
10	Share capital	1,000,000	1,000,000	1,000,000	1,000,000
	Reserve for development costs	2,242,702	578,482	2,242,702	578,482
	Retained earnings	0	0	0	0
	Proposed dividend	7,629,048	5,268,354	7,629,048	5,268,354
	<b>Minerva Group A/S' shareholders' share of equity</b>	<b>10,871,750</b>	<b>6,846,836</b>	<b>10,871,750</b>	<b>6,846,836</b>
	Non-controlling interests	34,125	35,546	0	0
	<b>Total equity</b>	<b>10,905,875</b>	<b>6,882,382</b>	<b>10,871,750</b>	<b>6,846,836</b>
	<b>Provisions</b>				
11	Deferred tax	3,192,417	1,937,228	3,051,421	849,225
	Other provisions	364,610	1,933,215	0	0
	<b>Total provisions</b>	<b>3,557,027</b>	<b>3,870,443</b>	<b>3,051,421</b>	<b>849,225</b>
	<b>Current liabilities</b>				
	Trade payables	2,756,565	2,859,422	1,693,115	2,134,024
	Received payments on account	791,921	528,545	0	0
13	Payables to group enterprises	0	0	116,592	3,498,926
	Income tax payable	1,991,263	1,692,136	0	0
	Other payables	7,092,444	5,997,615	2,603,337	2,974,261
	Deferred income	23,728,547	21,616,028	19,121,296	4,468,256
	<b>Total current liabilities</b>	<b>36,360,740</b>	<b>32,693,746</b>	<b>23,534,340</b>	<b>13,075,467</b>
	<b>Total liabilities and provisions</b>	<b>39,917,767</b>	<b>36,564,189</b>	<b>26,585,761</b>	<b>13,924,692</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,823,642</b>	<b>43,446,571</b>	<b>37,457,511</b>	<b>20,771,528</b>

- 1 Accounting policies
- 13 Related parties
- 14 Distribution of profit/loss
- 15 Changes in working capital

## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

## Statement of changes in equity

Note	DKK	Group						
		Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	Equity at 1 June 2017	1,000,000	240,481	0	5,112,229	6,352,710	87,611	6,440,321
	Distributed ordinary dividend	0	0	0	-5,112,229	-5,112,229	-159,178	-5,271,407
	Distributed extraordinary dividend	0	0	-6,600,000	0	-6,600,000	0	-6,600,000
	Foreign exchange adjustments, foreign subsidiary	0	0	-32,188	0	-32,188	-1,594	-33,782
	Profit/loss for the year	0	338,001	6,632,188	5,268,354	12,238,543	108,707	12,347,250
	Equity at 1 June 2018	1,000,000	578,482	0	5,268,354	6,846,836	35,546	6,882,382
	Distributed ordinary dividend	0	0	0	-5,268,354	-5,268,354	-183,038	-5,451,392
	Distributed extra ordinary dividend	0	0	-5,200,000	0	-5,200,000	0	-5,200,000
	Foreign exchange adjustments, foreign subsidiary	0	0	-13,734	0	-13,734	3,415	-10,319
	Profit/loss for the year	0	1,664,220	5,213,734	7,629,048	14,507,002	178,202	14,685,204
	Equity at 31 May 2019	1,000,000	2,242,702	0	7,629,048	10,871,750	34,125	10,905,875

## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

### Statement of changes in equity

Note	DKK	Parent				
		Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
	Equity at 1 June 2017	1,000,000	240,481	0	5,112,229	6,352,710
	Distributed ordinary dividend	0	0	0	-5,112,229	-5,112,229
	Distributed extraordinary dividend	0	0	-6,600,000	0	-6,600,000
	Foreign exchange adjustments, foreign subsidiary	0	0	-32,188	0	-32,188
	Profit/loss for the year	0	338,001	6,632,188	5,268,354	12,238,543
33	Equity at 1 June 2018	1,000,000	578,482	0	5,268,354	6,846,836
	Distributed ordinary dividend	0	0	0	-5,268,354	-5,268,354
	Distributed extraordinary dividend	0	0	-5,200,000	0	-5,200,000
	Foreign exchange adjustments, foreign subsidiary	0	0	-13,734	0	-13,734
	Profit/loss for the year	0	1,664,220	5,213,734	7,629,048	14,507,002
	Equity at 31 May 2019	1,000,000	2,242,702	0	7,629,048	10,871,750



## Consolidated financial statements and parent company financial statements

### 1 June 2018 - 31 May 2019

#### Cash flow statement

Note	DKK	Group	
		2018/19	2017/18
	Profit/loss before tax	18,898,204	16,406,701
	Depreciation and amortisation	923,321	657,503
	Other adjustments of non-cash operating items	96,025	243,234
	Cash generated from operations before changes in working capital	19,917,550	17,307,438
15	Changes in working capital	-3,435,745	493,712
	Cash generated from operations	16,481,805	17,801,150
	Interest received	13,516	1,562
	Interest paid	-130,889	-304,084
	Corporation tax paid	-5,006,276	-6,454,222
	<b>Cash flows from operating activities</b>	<b>11,358,156</b>	<b>11,044,406</b>
7	Acquisition of intangible assets	-2,292,048	-494,996
8	Acquisition of property, plant and equipment	-724,453	-301,520
	<b>Cash flows from investing activities</b>	<b>-3,016,501</b>	<b>-796,516</b>
	Shareholders:		
	Distributed dividend	-10,468,354	-11,712,229
	Distributed dividend, non-controlling interests	-183,038	-159,178
	<b>Cash flows from financing activities</b>	<b>-10,651,392</b>	<b>-11,871,407</b>
	<b>Cash flows for the year</b>	<b>-2,309,737</b>	<b>-1,623,517</b>
	Cash and cash equivalents, beginning of year	11,186,088	12,804,303
	Currency translation adjustment of cash	43,245	5,302
	<b>Cash and cash equivalents, year end</b>	<b>8,919,596</b>	<b>11,186,088</b>

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

## **Consolidated financial statements and parent company financial statements** **1 June 2018 – 31 May 2019**

### **Notes**

#### **1 Accounting policies**

The annual report of Minerva Group A/S for 2018/19 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.

### **Consolidated financial statements**

#### ***Control***

The consolidated financial statements comprise the Parent Company Minerva Group A/S and subsidiaries controlled by Minerva Group A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over 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 as well as 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 unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

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

#### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

## **Consolidated financial statements and parent company financial statements 1** **June 2018 – 31 May 2019**

### **Notes**

#### **1 Accounting policies (continued)**

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

### **Income statement**

#### **Gross margin**

Gross margin comprises revenue, cost of raw materials, consumables and external expenses.

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

#### **Revenue**

Revenue from the sale of goods for resale and manufactured goods is recognised in the income statement when delivery is made and the risk has passed to the buyer. Revenue from the sale of consultancy services is recognised in the income statement when delivery is made to the buyer. Support agreements are recognised on a straight-line basis over the contractual term.

Revenue is recognised net of VAT, duties and sale discounts.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

#### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year.

#### **Other external expenses**

Other external expenses include expenses relating to the entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

#### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.



## **Consolidated financial statements and parent company financial statements** **1 June 2018 - 31 May 2019**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Amortisation, depreciation and impairment losses**

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

##### **Income from investments in group entities**

Income from investments in group entities comprises the pro rata share of the individual entity's profit/loss after full elimination of the internal profits or losses.

##### **Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies.

##### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies.

##### **Tax on profit for the year**

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

The entity is jointly taxed with the Parent Company and all the Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

###### *Development projects, patents and licences*

On initial recognition, intangible assets are measured at cost.

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 entity can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

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

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 3-5 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

##### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of the useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment     3-4 years

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

## **Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Impairment of non-current assets**

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries and associates is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Write-down is made to the lower of the carrying amount and the 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.

##### **Investments in group entities**

Investments in group entities are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the entities' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Upon distribution of profit or loss, net revaluation of investments in group entities is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life, which is normally 10 years.

Investments in group entities are written down to the lower of recoverable amount and carrying amount.

##### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

##### **Prepayments**

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

##### **Cash**

Cash comprises cash in hand and bank deposits.



## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### *Net revaluation reserve according to the equity method*

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the net revaluation reserve according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

###### *Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

###### *Dividend*

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

##### Deferred tax

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

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

##### Other financial liabilities

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

##### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

##### Deferred income

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

## **Consolidated financial statements and parent company financial statements** **1 June 2018 - 31 May 2019**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

##### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### **Cash flows from investing activities**

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

##### **Cash flows from financing activities**

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

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

## Consolidated financial statements and parent company financial statements 1 June 2018 – 31 May 2019

### Notes

DKK	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
<b>2 Staff costs and incentive plans</b>				
Wages and salaries	38,292,745	30,385,564	9,717,188	7,841,665
Pensions	1,442,561	1,194,103	760,431	570,934
Other social security costs	6,086,802	4,168,534	174,480	132,312
	<u>45,822,108</u>	<u>35,748,201</u>	<u>10,652,099</u>	<u>8,544,911</u>
Average number of full-time employees	<u>66</u>	<u>52</u>	<u>15</u>	<u>12</u>
Staff costs include remuneration of the Parent Company's Executive Board and of the Parent Company's Board of Directors totalling DKK 1,345 thousand (2017/18: DKK 1,166 thousand), including pensions.				
<b>3 Amortisation, depreciation and impairment losses</b>				
Development projects	542,515	443,413	542,515	443,412
Property, plant and equipment	380,806	214,090	92,011	43,689
	<u>923,321</u>	<u>657,503</u>	<u>634,526</u>	<u>487,101</u>
<b>4 Other financial income</b>				
Financial income from group entities	0	0	100,428	92,911
Other financial income	34,864	60,850	49	47,881
	<u>34,864</u>	<u>60,850</u>	<u>100,477</u>	<u>140,792</u>
<b>5 Other financial expenses</b>				
Financial expenses from group entities	0	0	57,066	217,924
Other financial expenses	130,889	304,084	48,352	33,903
	<u>130,889</u>	<u>304,084</u>	<u>105,418</u>	<u>251,827</u>
<b>6 Tax for the year</b>				
Current tax for the year	2,957,811	4,065,531	394,996	1,561,445
Deferred tax adjustment for the year	1,255,189	-6,080	2,202,196	512,891
	<u>4,213,000</u>	<u>4,059,451</u>	<u>2,597,192</u>	<u>2,074,336</u>

## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

### Notes

#### 7 Intangible assets

	Group/Parent
	Completed development projects
DKK	
Cost at 1 June 2018	2,711,201
Additions	2,294,277
Cost at 31 May 2019	5,005,478
Amortisation and impairment losses at 1 June 2018	1,083,666
Amortisation	542,515
Amortisation and impairment losses at 31 May 2019	1,626,181
<b>Carrying amount at 31 May 2019</b>	<b>3,379,297</b>
Amortised over	5 years

#### 8 Property, plant and equipment

	Group
	Fixtures and fittings, tools and equipment
DKK	
Cost at 1 June 2018	2,442,697
Additions	724,453
Disposals	-1,015,958
Cost at 31 May 2019	2,151,192
Depreciation and impairment losses at 1 June 2018	2,023,598
Depreciation	380,806
Disposals	-1,015,958
Depreciation and impairment losses at 31 May 2019	1,388,446
<b>Carrying amount at 31 May 2019</b>	<b>762,746</b>
Depreciated over	3-4 years

	Parent
	Fixtures and fittings, tools and equipment
DKK	
Cost at 1 June 2018	538,557
Additions	310,209
Disposals	-30,405
Cost at 31 May 2019	818,361
Depreciation and impairment losses at 1 June 2018	441,643
Depreciation	92,011
Disposals	-30,405
Depreciation and impairment losses at 31 May 2019	503,249
<b>Carrying amount at 31 May 2019</b>	<b>315,112</b>
Depreciated over	3-4 years



## Consolidated financial statements and parent company financial statements 1 June 2018 - 31 May 2019

### Notes

DKK	Parent	
	2018/19	2017/18
<b>9 Equity investments in subsidiaries</b>		
Cost at 1 June	7,424,722	7,440,127
Disposals	0	-15,405
Cost at 31 May	7,424,722	7,424,722
Value adjustments at 1 June	-2,274,182	-2,674,515
Foreign exchange adjustment	-13,734	-32,188
Distributed dividend	-5,861,131	-4,428,416
Profit/loss for the year	5,305,499	4,860,937
Value adjustments at 31 May	-2,843,548	-2,274,182
<b>Carrying amount at 31 May</b>	<b>4,581,174</b>	<b>5,150,540</b>
Transferred for set off against receivables	601,599	700,633
Non-amortised differences	5,182,773	5,851,173

Name and registered office	Voting rights and ownership
Minerva Danmark A/S, Viby J, Denmark	100.0%
Minerva Sverige AB, Kista, Sweden	100.0%
Minerva France SARL, Neuilly-sur-Seine, France	100.0%
Minerva GB England Ltd., Birmingham, UK	87.5%
Minerva Benelux B.V., CA Breda, The Netherlands	85.0%
Minerva USA Inc., Carlsbad, California, USA	85.0%
Minerva Informatic Germany GmbH, Hamburg, Germany	100.0%

All subsidiaries are considered separate entities.

### 10 Share capital

The share capital comprises:

1,000 class A shares of DKK 100 each

9,000 class B shares of DKK 100 each

Every class A share carries 10 voting rights, and every class B share carries 1 voting right. The share capital has remained unchanged for the past five years.

The Company held no treasury shares at the balance sheet date. No treasury shares were acquired or sold in the financial year.



## Consolidated financial statements and parent company financial statements

### 1 June 2018 - 31 May 2019

#### Notes

DKK	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
<b>11 Deferred tax</b>				
Deferred tax at 1 June	1,937,228	1,943,308	849,225	336,334
Deferred tax adjustment for the year	1,255,189	-6,080	2,202,196	512,891
<b>Deferred tax at 31 May</b>	<b>3,192,417</b>	<b>1,937,228</b>	<b>3,051,421</b>	<b>849,225</b>
Deferred tax relates to:				
Intangible assets	743,446	358,058	743,446	358,058
Property, plant and equipment	-25,220	-29,726	-5,095	-9,660
Current assets	2,474,191	1,608,896	2,313,070	500,827
	<b>3,192,417</b>	<b>1,937,228</b>	<b>3,051,421</b>	<b>849,225</b>

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

##### Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement in which North Beach Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is liable for income taxes, etc. for the jointly taxed companies.

The Group's Danish entities are jointly and severally liable for joint VAT registration.

##### Rent and operating lease commitments

The Group's entities have entered into rent and operating lease commitments. The remaining nominal lease commitments totals:

DKK	Group		Parent	
	2018/19	2017/18	2018/19	2017/18
Within 1 year	1,190,187	1,020,885	475,749	549,186
Between 1 and 5 years	906,936	1,058,135	594,686	960,499
<b>Total rent and lease commitment</b>	<b>2,097,123</b>	<b>2,079,020</b>	<b>1,070,435</b>	<b>1,509,685</b>

## Consolidated financial statements and parent company financial statements

### 1 June 2018 - 31 May 2019

#### Notes

#### 13 Related parties

Minerva Group A/S' related parties comprise the following:

##### Control

The entity has registered the following shareholders to hold more than 5% of the voting rights:

North Beach Holding ApS, Sundgårdsvej 61, 8700 Horsens  
PEMMA ApS, Elverdalsvej 161, 8270 Højbjerg  
IEL ApS, Søndergade 8, 4690 Haslev  
Minerva Employees ApS, Hasselager Centervej 29, 8260 Viby J

North Beach Holding ApS holds the majority of the voting rights in the Company.

##### Related party transactions

DKK	2018/19	2017/18
<b>Group</b>		
Purchase of legal assistance from board member	14,000	0
<b>Parent</b>		
Sale of services to subsidiaries	21,576,788	23,606,046
Purchase of legal assistance from board member	14,000	0
Interest income from subsidiaries	100,428	92,911
Interest expenses to subsidiaries	57,066	217,924
Receivables from subsidiaries	9,019,446	2,919,894
Payables to subsidiaries	116,592	3,498,926

Apart from the distribution of dividend, no other transactions were carried out with shareholders during the year.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 2.

	Parent	
DKK	2018/19	2017/18
<b>14 Distribution of profit/loss</b>		
<b>Proposed distribution of profit/loss</b>		
Dividend proposed for the year	7,629,048	5,268,354
Transferred to equity reserves	1,664,220	338,001
Extraordinary dividend	5,200,000	6,600,000
Retained earnings	13,734	32,188
	<u>14,507,002</u>	<u>12,238,543</u>

	Group	
DKK	2018/19	2017/18
<b>15 Changes in working capital</b>		
Changes in receivables	-5,235,007	-2,663,897
Changes in trade and other payables	1,535,886	3,930,988
Changes in received payments on account	263,376	-773,379
	<u>-3,435,745</u>	<u>493,712</u>