



Minerva Group A/S

Hasselager Centervej 29
8260 Viby J
Denmark

CVR no. 17 63 07 84

Annual report 2021/22

The annual report was presented and approved at the
Company's annual general meeting

on October 31st 20 22

Andrew Kokoska Andrew Kokoska
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

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 2021 – 31 May 2022.

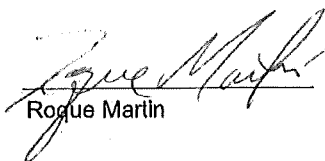
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 May 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 June 2021 – 31 May 2022.

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

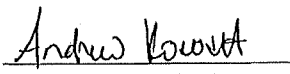
We recommend that the annual report be approved at the annual general meeting.

Viby J, 31 October 2022
Executive Board:

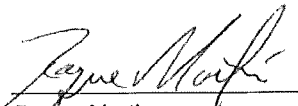


Rogue Martin

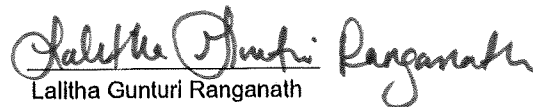
Board of Directors:



Andrew John Kokoska
Chairman



Rogue Martin



Lalitha Gunturi Ranganath



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 2021 – 31 May 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and 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 Group's and the Parent Company's assets, liabilities and financial position at 31 May 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 June 2021 – 31 May 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" section of our report.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 31 October 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

Minerva Group A/S
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Management's review

Company details

Minerva Group A/S
Hasselager Centervej 29
8260 Viby J
Denmark

CVR no.	17 63 07 84
Established:	7 February 1994
Registered office:	Aarhus
Financial year:	1 June – 31 May

Board of Directors

Andrew John Kokoska
Roque Martin
Lalitha Gunturi Ranganath

Executive Board

Roque Martin

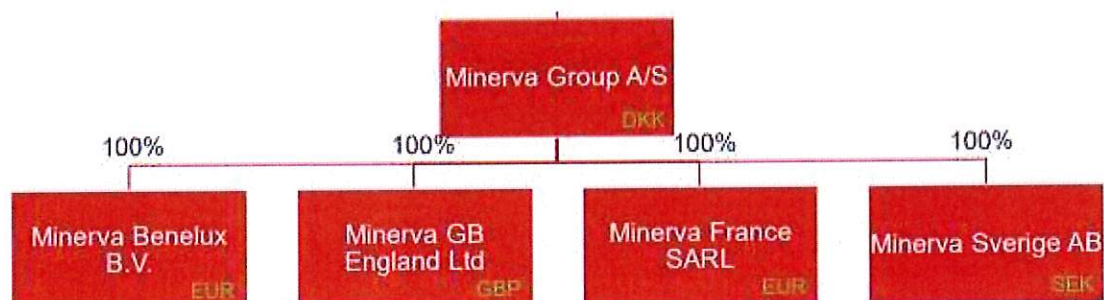
Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Minerva Group A/S
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Management's review

Group chart as of 31 May 2022



Management's review

Financial highlights for the Group

DKK'000	2021/22*	2020/21	2019/20	2018/19	2017/18
Gross profit	36,005	75,272	77,903	65,740	53,056
Operating profit	6,247	14,334	13,054	18,994	16,650
Profit/loss from financial income and expenses	50	-518	-268	-96	-243
Profit for the year	5,922	12,022	9,779	14,685	12,347
Total assets	95,582	72,900	66,405	50,824	43,447
Investments in property, plant and equipment	12	99	557	724	302
Equity	30,416	15,493	5,987	10,906	6,882
Return on equity	132.5%	111.9%	115.8%	165.1%	-
Solvency ratio	31.8%	21.3%	9.0%	21.5%	15.8%

The Group Financial statements were initially prepared in 2018/19 with comparative figures for 2017/18. On this basis, return on equity has not been calculated for 2017/18.

The financial highlights for 2021/22 is impacted by the disclosure of discontinuing operations. A reference is made to the accounting policies section for the accounting treatment thereof.

The financial ratios have been calculated as follows:

Return on equity

$$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

The Group's principal activities

The objective of Minerva Group A/S is, together with its subsidiaries, to supply PLM consultancy and IT solutions for the optimisation of manufacturing companies' development and delivery capabilities.

Development in activities and financial position

Profit for the year was DKK 25,992 thousand, and equity at 31 May 2022 represented DKK 30,416 thousand. Yearly results are considered satisfactory when taking the unusual circumstances below into consideration. In the annual report for 2020/21, results for the year were projected to be at level with 2020/21. Profit for the year was impacted by the circumstances listed below.

On 31 December 2021, Patriot Holding ApS, a company wholly owned by Aras Corporation, took over the full equity interest in Minerva Group A/S. Aras Corporation has been a long-standing partner of Minerva Group A/S. Integrating Minerva Group A/S into the Aras brand enables the combined business to further expand its market position.

During 2021/22, Minerva Group has continued its strong market position focusing on PLM subscriptions and PLM consultancy. The main customers of Minerva Group are large manufacturing companies within discrete manufacturing, and a growing number of Medical Device and High-Tech Electronics companies have successfully implemented Minerva Group's industry solutions.

As a result of the acquisition, the industry solutions have been rebranded, but the products continue to target addressing common business challenges in the management of all product-related data in a product's lifecycle. As part of the Aras brand, the solutions for the Medical Device and High-Tech Electronics industries have further increased their potential. Minerva Group has continued its investment in research and development within the PLM field to continue serving demand from the Group's customers.

Unusual circumstances

Following the acquisition, Minerva Group A/S has streamlined its operations reflecting its integration into a larger group. As a result, Minerva Danmark A/S, a former subsidiary of Minerva Group A/S, has been merged with Minerva Group A/S, which is reflected in the annual report for 2021/22 of the Parent Company with the adjustment of comparative figures.

In addition, foreign subsidiaries, which were present in the same countries as other entities in the Aras Corporation Group, have been part of intergroup mergers. As a result, the subsidiaries of Minerva Informatic Germany GmbH and Minerva USA Inc. have been merged with other legal entities within the Aras Corporation Group and are therefore no longer subsidiaries of Minerva Group A/S as of the end of the financial year. Lastly, Minerva GB England Ltd sold the majority of its assets during the year, which is also reflected in consolidated financials with a profit from the sale of activities.

After the end of the financial year, the streamlining has continued. On 1 June 2022, Minerva France SARL, a subsidiary of Minerva Group A/S, leased its business to another entity within the Aras Corporation Group. A merger has been announced between this entity and Minerva France SARL, which will be finalised in 2022. Minerva France SARL will therefore no longer be a subsidiary at the end of next financial year, and the activities of Minerva France SARL have been presented as discontinuing operations of the Group.

Management's review

Operating review

After the sale of assets by Minerva GB England Ltd, the subsidiary will initiate the process of going into Members Voluntary Liquidation. Once finalised, Minerva GB England Ltd. will also cease to exist as a subsidiary of Minerva Group A/S. As a result, the activities of Minerva GB England Ltd. have been presented as discontinuing operations of the Group.

Outlook

To facilitate the integration into the Aras Corporation Group, the financial year is expected to be changed from 1 June – 31 May to 1 January – 31 December going forward. Consequently, a short financial year for the period 1 June – 31 December 2022 is expected.

Minerva Group expects to keep its strong market position, be stable in size, revenue, and profitability for the next financial year when disregarding the planned changes in corporate structure and shortened financial year. On this basis, the Company projects profit for the year for the period 1 June – 31 December 2022 of the Group to be in the range of DKK +/- 5% of the above adjusted for the shortened financial year and with the discontinuing operations. The projected profit for the year for the Parent Company is expected to be in the range of +/- 5% of the above adjusted for the shortened financial year.

Intellectual capital

The Group possesses very large technical and application knowledge within its business areas. Knowledge and know-how have been accumulated over many years. Furthermore, the background, education, and experience of the employees are essential to the intellectual capital of the Company. The right combination of education and expertise within the employee group is therefore critical.

Environmental matters

The Company seeks to minimise its environmental footprint and to conduct its business in a socially responsible manner.

Research and development activities

Minerva Group is expected to continue its investments in research and development within the PLM field. The industry-solutions for companies in the Medical Device and High-Tech Electronic industries will continue to be expanded and improved to further strengthen their capabilities. With the increased reach of these solutions as part of the Aras brand, the solutions are expected to continue their positive trajectory.

Financial risks

As a result of its business, the Company is exposed to changes in exchange rates. The Company monitors this centrally.

Events after the balance sheet date

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

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Income statement

DKK'000	Note	Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
Gross profit		36,005	75,272	28,847	26,373
Staff costs	2	-22,895	-59,432	-16,364	-15,807
Depreciation, amortisation and impairment losses	3, 4	-6,863	-1,506	-3,474	-1,218
Profit before financial income and expenses		6,247	14,334	9,009	9,348
Income from equity investments in group entities		0	0	28,281	2,102
Financial income	5	146	239	128	140
Financial expenses	6	-96	-757	-96	-301
Profit before tax		6,297	13,816	37,322	11,289
Tax on profit for the year	7	-375	-1,794	-965	-1,041
Profit for the year after tax from continuing operations		5,922	12,022	36,357	10,248
Profit for the year after tax from discontinuing operations	8	20,070	0	0	0
Profit for the year	9	25,992	12,022	36,357	10,248

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Balance sheet

DKK'000	Note	Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
ASSETS					
Fixed assets					
Intangible assets	3				
Completed development projects		5,360	11,300	9,212	11,300
Development projects under construction		2,107	0	3,438	0
		<u>7,467</u>	<u>11,300</u>	<u>12,650</u>	<u>11,300</u>
Property, plant and equipment	4				
Fixtures and fittings, tools and equipment		83	483	72	197
		<u>83</u>	<u>483</u>	<u>72</u>	<u>197</u>
Financial assets					
Equity investments in group entities	10	0	0	2,186	2,763
Other receivables	11	324	470	273	267
		<u>324</u>	<u>470</u>	<u>2,459</u>	<u>3,030</u>
Total fixed assets		<u>7,874</u>	<u>12,253</u>	<u>15,181</u>	<u>14,527</u>
Current assets					
Receivables					
Trade receivables		12,030	15,766	12,018	7,880
Work in progress		0	1,761	0	0
Receivables from group entities		45,351	0	51,945	4,749
Other receivables		0	0	0	39
Corporation tax		0	463	0	1,121
Prepayments	12	13,110	19,170	12,995	17,259
		<u>70,491</u>	<u>37,160</u>	<u>76,958</u>	<u>31,048</u>
Cash at bank and in hand		<u>10,472</u>	<u>23,487</u>	<u>10,098</u>	<u>12,158</u>
Assets regarding discontinuing operations		<u>6,745</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total current assets		<u>87,708</u>	<u>60,647</u>	<u>87,056</u>	<u>43,206</u>
TOTAL ASSETS		<u>95,582</u>	<u>72,900</u>	<u>102,237</u>	<u>57,733</u>

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Balance sheet

DKK'000	Note	Group		Parent Company	
		2021/22	2020/21	2021/22	2020/21
EQUITY AND LIABILITIES					
Equity					
Contributed capital		1,000	1,000	1,000	1,000
Reserve for development costs		5,824	8,814	9,867	8,814
Retained earnings		15,992	2,610	16,684	-3,020
Proposed dividends for the financial year		7,600	2,807	7,600	2,807
Shareholders in Minerva Group A/S'					
share of equity		30,416	15,231	35,151	9,601
Non-controlling interests		0	262	0	0
Total equity		30,416	15,493	35,151	9,601
Provisions					
Deferred tax	13	1,592	5,517	2,732	5,517
Total provisions		1,592	5,517	2,732	5,517
Liabilities other than provisions					
Current liabilities other than provisions					
Prepayments received from customers		0	838	0	0
Trade payables		585	4,865	569	3,562
Payables to group entities		645	0	7,549	2,798
Corporation tax payables		3,380	1,475	3,672	1,305
Other payables		22,348	8,457	21,215	3,225
Deferred income	14	31,344	36,255	31,349	31,725
		58,302	51,890	64,354	42,615
Liabilities regarding discontinuing operations		5,272	0	0	0
Total liabilities other than provisions		63,574	51,890	64,354	42,615
TOTAL EQUITY AND LIABILITIES		95,582	72,900	102,237	57,733
Contractual obligations, contingencies, etc.					
	15				
Related parties	16				

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Statement of changes in equity

	Group					
	Contri- buted capital	Reserve for develop- ment costs	Retained earnings	Proposed dividends	Total	Non-con- trolling interests
						Total equity
DKK'000						
Equity at 1 June 2021	1,000	8,814	2,610	2,807	15,231	262
Distributed dividends	0	0	0	-2,807	-2,807	0
Extraordinary dividends	0	0	-8,000	0	-8,000	0
Disposals of non-controlling interests		0	0	0	0	-262
Adjusting reserves	0	-2,990	2,990	0	0	0
Profit for the year	0	0	18,392	7,600	25,992	0
Equity at 31 May 2022	0	5,824	15,992	7,600	30,416	0

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Statement of changes in equity

	Parent Company				
	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividends	Total equity
DKK'000					
Equity at 1 June 2021	1,000	8,814	-3,020	2,807	9,601
Distributed dividends	0	0	0	-2,807	-2,807
Extraordinary dividends	0	0	-8,000	0	-8,000
Adjusting reserves	0	1,053	-1,053	0	0
Profit for the year	0	0	28,757	7,600	36,357
Equity at 31 May 2022	1,000	9,867	16,684	7,600	35,151

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Cash flow statement

DKK'000	Note	Group	
		2021/22	2020/21
Profit for the year		25,992	12,022
Depreciation, amortisation and impairment losses		7,040	1,506
Other adjustments of non-cash operating items	17	1,595	2,312
Cash generated from operations before changes in working capital		34,627	15,840
Changes in working capital	18	-6,657	-3,070
Cash generated from operations		27,970	12,770
Interest income		146	239
Interest expense		-96	-757
Corporation tax paid		-3,200	2,421
Cash flows from operating activities		24,820	14,673
Acquisition of intangible assets	3	-2,882	-7,202
Acquisition of property, plant and equipment	4	-12	-99
Disposal of property, plant and equipment	4	60	0
Disposal of group entities		22,055	0
Change in fixed asset investments		0	37
Cash flows from investing activities		19,221	-7,264
Shareholders:			
Distributed dividends		-10,807	-2,297
Acquisition of non-controlling interests		-262	-93
Change in receivables and payables to group entities		-45,801	-2,240
Cash flows from financing activities		-56,870	-4,630
Cash flows for the year		-12,829	2,779
Cash and cash equivalents at the beginning of the year		23,487	20,708
Cash and cash equivalents at year end	19	10,658	23,487

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies

The annual report of Minerva Group A/S for 1 June 2021 – 31 May 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The Parent Company has changed its measurement of equity investments in group entities from equity method to cost in conjunction with the adoption of Aras Corporation's accounting practice for equity investments in group entities.

The impact of the change on the current year is unknown.

The comparative figures are affected as follows in the parent company financial statements:

- Income from equity investments in group entities, DKK 1,689 thousand decrease
- Profit before tax, DKK 1,689 thousand decrease
- Profit for the period, DKK 1,689 thousand decrease
- Equity investments in group entities, DKK 6,207 thousand decrease
- Total assets, DKK 6,207 thousand decrease
- Equity, DKK 6,207 thousand decrease.

Moreover, Minerva Group A/S and its subsidiary, Minerva Danmark A/S, have been merged with accounting effect from 1 June 2021, with Minerva Group A/S as the succeeding company.

The comparative figures are affected as follows in the parent company financial statements:

- Income from equity investments in group entities, DKK 1,171 thousand decrease
- Profit before tax, DKK 1,171 thousand decrease
- Profit for the period, DKK 1,171 thousand decrease
- Equity investments in group entities, DKK 2,170 thousand decrease
- Receivables from group entities, DKK 2,711 thousand decrease
- Total assets, DKK 4,881 thousand decrease
- Equity, DKK 2,170 thousand decrease
- Payables to group entities, DKK 2,711 thousand decrease.

Furthermore, minor reclassifications in the comparative financial statements for 2020/21 have been made to enhance presentation. The reclassifications have no effect on profit for the year. The financial ratios have been updated accordingly.

Besides the change in accounting policies and the reclassifications of comparative figures, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

The consolidated financial statements and parent company financial statements for 2021/22 are presented in DKK'000.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies

Discontinuing operations

Discontinued operations are to be presented separately if activities and cash flows can be separated from the Company's other activities and if, according to an overall plan, they are to be sold, discontinued or abandoned.

Profit/loss after tax on discontinued operations and assets and related liabilities for discontinued operations are recognised as a separate line item without restatement of comparative figures. The principal items are specified in the notes.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Minerva Group A/S, and subsidiaries in which Minerva Group A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control over. A group chart is included on page 7.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Business combinations

Uniting of interests

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this method, the two entities are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired entity is recognised directly in equity. The uniting-of-interests method is applied as if the two entities had always been combined by restating comparative figures.

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.

Upon recognition of foreign subsidiaries which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies (continued)

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from sale of licences is recognised at the time of delivery. As regards sale of licences on a long-term contract where the customers pay annual fees, the income is recognised in the relevant period. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

As regards sale of licences, Minerva Group A/S invoices the gross amount and receives an invoice from the relevant software provider. The Company bears the debtor risk concerning its customers, and the Company therefore recognises sale of licences by gross presentation under revenue.

Income from the sale of consultancy services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenue and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between expenses incurred and total expected expenses of the service.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Other operating income

Other operating income comprise items secondary to the activities of the Group, including gains on the disposal of intangible assets and property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies (continued)

Income from equity investments in associates

Income from equity investments comprises dividends received from group entities in so far as they do not exceed the accumulated earnings in the group entity during the ownership period.

Dividends from equity investments in group entities measured at cost are recognised as income in the parent company income statement in the financial year when the dividends are declared.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables, receivables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is jointly taxed with the Parent Company, Patriot Holding ApS from 1 January 2022. The Company was jointly taxed with the former shareholder before the acquisition effected on 1 January 2022. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund for tax losses).

On payment of joint taxation contributions, current Danish corporation tax 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 used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Completed development projects and development projects under construction

Development costs comprise costs, wages, salaries and amortisation directly and 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 evidenced, 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 as well development costs. Other development costs are recognised in the income statement as incurred.

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

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3-5 years, which is fixed on the basis of experience gained by Management and the business in general.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-4 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies (continued)

Financial assets

Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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

Work in progress is measured by reference to the stage of completion. The rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year.

This method is applied when total revenue and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between expenses incurred and the total expected expenses of the service.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Prepayments received from customers and deferred income

Prepayments received from customers and deferred income comprise payments received regarding income in subsequent years.

Leases

The Group solely holds operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

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 divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

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 corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

2 Staff costs

	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
DKK'000				
Wages and salaries	19,541	47,866	14,969	14,405
Pensions	1,712	2,042	1,224	1,205
Other social security costs	1,597	9,524	126	197
Other staff costs	45	0	45	0
	<u>22,895</u>	<u>59,432</u>	<u>16,364</u>	<u>15,807</u>
Average number of full-time employees	<u>62</u>	<u>91</u>	<u>21</u>	<u>25</u>

Staff costs of the Group and the Parent Company include remuneration of the Parent Company's Executive Board, DKK 733 thousand (2020/21: DKK 1,228 thousand) including pensions of DKK 42 thousand (2020/21: DKK 72 thousand).

3 Intangible assets

	Group	
	Completed development projects	Development projects under construction
DKK'000		
Cost at 1 June 2021	16,542	0
Additions	775	2,107
Cost at 31 May 2022	<u>17,317</u>	<u>2,107</u>
Amortisation and impairment losses at 1 June 2021	-5,242	0
Amortisation	-5,915	0
Impairment losses	-800	0
Amortisation and impairment losses at 31 May 2022	<u>-11,957</u>	<u>0</u>
Carrying amount at 31 May 2022	<u>5,360</u>	<u>2,107</u>

Completed development projects relate to the development of new technology and software launched in 2021/2022 and earlier. All projects are commercialised and generate positive cash flows.

Development projects under construction relates to the development of new technology and software to be launched subsequent to the balance sheet date. All projects have a commercial standpoint, and positive cash flows are expected from the projects.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

3 Intangible assets (continued)

DKK'000	Parent Company		
	Devel- opment projects	Devel- opment projects under construc- tion	Total
Cost at 1 June 2021	16,541	0	16,541
Additions	1,266	3,438	4,704
Cost at 31 May 2022	17,807	3,438	21,245
Amortisation and impairment losses at 1 June 2021	-5,242	0	-5,242
Amortisation	-2,553	0	-2,553
Impairment losses	-800	0	-800
Amortisation and impairment losses at 31 May 2022	-8,595	0	-8,595
Carrying amount at 31 May 2022	9,212	3,438	12,650

Completed development projects relate to the development of new technology and software launched in 2021/2022 and earlier. All projects are commercialised and generate positive cash flows.

Development projects under construction relates to the development of new technology and software to be launched subsequent to the balance sheet date. All projects have a commercial standpoint, and positive cash flows are expected from the projects.

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

4 Property, plant and equipment

	Group
	Fixtures and fittings, tools and equipment
DKK'000	
Cost at 1 June 2021	3,046
Additions	12
Disposals	-721
Cost at 31 May 2022	2,337
Depreciation and impairment losses at 1 June 2021	-2,563
Depreciation	-148
Reversed depreciation and impairment losses	457
Depreciation and impairment losses at 31 May 2022	-2,254
Carrying amount at 31 May 2022	83

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

4 Property, plant and equipment (continued)

	Parent Company
DKK'000	
Cost at 1 June 2021	1,234
Additions	12
Disposals	-21
Cost at 31 May 2022	1,225
Depreciation and impairment losses at 1 June 2021	-1,037
Depreciation	-121
Reversed depreciation and impairment losses	5
Depreciation and impairment losses at 31 May 2022	-1,153
Carrying amount at 31 May 2022	72

	Group		Parent Company	
DKK'000	2021/22	2020/21	2021/22	2020/21
5 Financial income				
Interest income from group entities	0	0	0	101
Other financial income	146	239	128	39
	<u>146</u>	<u>239</u>	<u>128</u>	<u>140</u>
6 Financial expenses				
Interest expense to group entities	0	0	0	89
Other interest expense	96	757	96	212
	<u>96</u>	<u>757</u>	<u>96</u>	<u>301</u>

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

7 Tax on profit for the year

	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
DKK'000				
Current tax for the year	4,222	274	3,672	-479
Deferred tax adjustment for the year	-3,925	1,520	-2,785	1,520
Adjustment to tax regarding previous years	78	0	78	0
	<u>375</u>	<u>1,794</u>	<u>965</u>	<u>1,041</u>

8 Profit for the year after tax from discontinued operations

In addition, foreign subsidiaries, which were present in the same countries as other entities in the Aras Corporation group, have merged within the Group. As a result, the subsidiaries of Minerva Informatik Germany GmbH and Minerva USA Inc. have been merged with other legal entities within the Aras Corporation Group and are therefore no longer subsidiaries of Minerva Group A/S as of the end of the financial year. Lastly, Minerva GB England Ltd sold the majority of its assets during the year, which is also reflected in the consolidated financials with a profit from the sale of activities.

After the end of the financial year, the streamlining has continued. On 1 June 2022, Minerva France SARL, a subsidiary of Minerva Group A/S, leased its business to another entity within the Aras Corporation Group. A merger has been announced between this entity and Minerva France SARL, which will be finalised in 2022. Minerva France SARL will therefore no longer be a subsidiary at the end of next financial year, and the activities of Minerva France SARL have been presented as discontinuing operations of the Group.

DKK'000	2021/22
Gross profit	37,296
Staff costs	-34,078
Depreciation	-177
Net financials	<u>-101</u>
Profit before tax	2,940
Tax on profit for the year	<u>-1,270</u>
Profit before sale of entity	1,670
Gain from the sale of entities	<u>18,400</u>
Profit for the year	<u>20,070</u>

Consolidated financial statements and parent company financial statements 1 June 2021 – 31 May 2022

Notes

Assets and liabilities regarding discontinued operations

DKK'000	31/5 2022
Property, plant and equipment	25
Trade receivables	2,398
Receivables from group entities	4,018
Prepayments	118
Cash at bank and in hand	186
Assets regarding discontinued operations	6,745
Trade payables	99
Payables to group entities	2,922
Corporation tax payables	77
Other payables	2,174
Liabilities regarding discontinued operations	5,272
Net liabilities regarding discontinued operations	-1,473

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9 Proposed profit appropriation

DKK'000	Group		Parent Company	
	2021/22	2020/21	2021/22	2020/21
Proposed dividends for the year	7,600	2,807	7,600	2,807
Retained earnings	18,392	9,215	29,333	7,441
	<u>25,992</u>	<u>12,022</u>	<u>36,933</u>	<u>10,248</u>

10 Equity investments in group entities

DKK'000	Parent Company	
	2021/22	2020/21
Equity investments in group entities		
Cost at 1 June 2021	3,383	3,383
Disposals for the year	-577	0
Cost at 31 May 2022	<u>2,806</u>	<u>3,383</u>
Impairment losses at 1 June 2021	-620	-620
Impairment losses at 31 May 2022	-620	-620
Carrying amount at 31 May 2022	<u>2,186</u>	<u>2,763</u>

Name/legal form	Registered office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Subsidiaries:				
Minerva Benelux B.V.	CA Breda, The Netherlands	100%	-398,469	-1,800
Minerva GB England Ltd.	Birmingham, The UK	100%	*	*
Minerva France SARL	Neuilly-sur-Seine, France	100%	1,358,851	1,213,300
Minerva Sverige AB	Kista, Sweden	100%	528,635	464,766
			<u>1,887,486</u>	<u>1,678,066</u>

* No published annual report for Minerva GB England Ltd. is available for the financial year 2021/22 and previous years. On this basis, no financial information is disclosed for the subsidiary.

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Notes

11 Other receivables

	Group		Parent Company	
DKK'000	2021/22	2020/21	2021/22	2020/21
Other receivables				
Cost at 1 June	470	463	267	260
Additions	0	7	6	7
Disposals	-146	0	0	0
Cost at 31 May	324	470	273	267

12 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

13 Deferred tax

	Group		Parent Company	
DKK'000	2021/22	2020/21	2021/22	2020/21
Deferred tax at 1 June 2021	5,517	3,997	5,517	3,997
Deferred tax adjustment for the year	-3,925	1,520	-2,785	1,520
	1,592	5,517	2,732	5,517

Deferred tax relates to timing variances mainly related to intangible assets and will be deferred along amortisation.

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Notes

14 Deferred income

Deferred income of DKK 31,349 thousand at 31 May 2022 (31 May 2021: DKK 31,725 thousand) for the Parent Company and DKK 31,344 thousand at 31 May 2022 (31 May 2021: DKK 36,255 thousand) for the Group comprises payments received from customers that cannot be recognised until the subsequent financial year.

15 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Company is jointly taxed with the Parent Company, Patriot Holding ApS from 1 January 2022. The Company was jointly taxed with the former shareholder before the acquisition effected on 1 January 2022 and is jointly and severally liable for taxes in the previous joint taxation group.

Operating lease obligations

The Group has entered into operating leases with a total contingent liability of DKK 1,055 thousand as of 31 May 2022 (31 May 2021: DKK 1,069 thousand). Of the total contingent liability, DKK 1,034 thousand falls due within 12 months from the balance sheet date.

The Parent Company has entered into operating leases with a total contingent liability of DKK 431 thousand as of May 31, 2022 (31 May 2021: DKK 509 thousand). Of the total contingent liability, DKK 410 thousand falls due within 12 months from the balance sheet date.

16 Related parties

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

Control

Patriot Holding ApS, Amaliegade 3, 4., 1256 Copenhagen, Denmark

Patriot Holding ApS holds the majority of the contributed capital in the Company.

Minerva Group A/S is part of the consolidated financial statements of Aras Corporation, 100 BRICKSTONE SQUARE SUITE 100 ANDOVER MA 01810-1492, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Aras Corporation can be obtained by contacting the company at the above address.

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Related party transactions

DKK'000	2021/22
Group	
Sale of services to group entities	34,592
Purchase of services from group entities	53,838
Parent Company	
Sale of services to group entities	5,277
Purchase of services from group entities	35,627
Distribution of dividend to shareholder	-10,807
Received dividend from subsidiaries	7,379

Remuneration of the Parent Company's Executive Board and Board of Directors is disclosed in note 2, to where reference is made.

Receivables from and payables to group entities are disclosed in the balance sheet to where reference is made.

17 Other adjustments

	Group	
DKK'000	2021/22	2020/21
Financial income	-146	-239
Financial expenses	96	757
Tax on profit for the year	1,645	1,794
	<u>1,595</u>	<u>2,312</u>

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DKK'000	Group	
	2021/22	2020/21
18 Changes in working capital		
Change in receivables	-12,869	3
Change in trade and other payables	6,212	-3,073
	<u>-6,657</u>	<u>-3,070</u>
19 Cash and cash equivalents		
Cash and cash equivalents at 31 May 2022 comprise:		
Cash at bank and in hand, continuing operations	10,472	23,487
Cash at bank and in hand, discontinuing operations	186	0
Cash and cash equivalents at 31 May 2022	<u>10,658</u>	<u>23,487</u>