Minerva Group A/S

Hasselager Centervej 29
DK-8260 Viby J

CVR no. 17 63 07 84

Annual report for the period 1 June – 31 December 2022

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

27 June 2023

William George Porter
Chairman of the annual general meeting

Contents

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 period 1 June – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial period 1 June – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Viby J, 27 June 2023
Executive Board:

Roque Martin
CEO

Board of Directors:

William George Porter Chairman	Roque Martin	Lalitha Gunturi Ranganath

Independent auditor's report

To the shareholder of Minerva Group A/S

Opinion

We have audited the financial statements of Minerva Group A/S for the financial period 1 June – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial period 1 June – 31 December 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 financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 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

Independent auditor's report

— identify and assess the risks of material misstatement of the 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 Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 27 June 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

Management's review

Company details

Minerva Group A/S
Hasselager Centervej 29
DK-8260 Viby J

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Website:	http://www.minerva-plm.com
E-mail:	info@minerva-plm.com
CVR no.:	17 63 07 84
Established:	7 February 1994
Registered office:	Aarhus
Financial period:	1 June – 31 December 2022

Board of Directors

William George Porter, Chairman
Roque Martin
Lalitha Gunturi Ranganath

Executive Board

Roque Martin, CEO

Auditor

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

Management's review

Operating review

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

The Company's income statement for 2022 shows a loss of DKK 15,354 thousand as against a profit of DKK 36,357 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 12,197 thousand as against DKK 35,151 thousand at 31 December 2021.

Loss for the year was negatively impacted by the integration into Aras Corporation following the acquisition in December 2021. On the basis of the investments in integration taken during the period 1 June - 31 December 2022, it is Management's expectation that the Company will be profitable in 2023.

Financial statements 1 June – 31 December

Income statement

DKK'000	Note	1/6 2022 - 31/12 2022	1/6 2021 - 31/5 2022
Gross profit		6,216	28,847
Staff costs	2	-19,682	-16,364
Depreciation, amortisation and impairment losses		-3,322	-3,474
Profit/loss before financial income and expenses		-16,788	9,009
Results of equity investments in subsidiaries		-1,497	28,281
Financial income	3	482	128
Financial expenses		-185	-96
Profit/loss before tax		-17,988	37,322
Tax on profit/loss for the year	4	2,634	-965
Profit/loss for the period		-15,354	36,357

Proposed profit appropriation/distribution of loss

Proposed dividends for the period	0	7,600
Retained earnings	-15,354	28,757
	-15,354	36,357

Financial statements 1 June – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/5 2022
ASSETS			
Fixed assets			
Intangible assets			
Completed development projects		9,382	9,212
Development projects under construction		0	3,438
		9,382	12,650
Property, plant and equipment			
Fixtures and fittings, tools and equipment		102	72
Financial assets			
Equity investments in group entities		209	2,186
Other securities and equity investments		821	0
Other receivables		292	273
		1,322	2,459
Total fixed assets		10,806	15,181
Current assets			
Receivables			
Trade receivables		9,815	12,018
Receivables from group entities		25,456	51,945
Service in progress		177	0
Prepayments		14,597	12,995
		50,045	76,958
Cash at bank and in hand		10,306	10,098
Total current assets		60,351	87,056
TOTAL ASSETS		71,157	102,237

Financial statements 1 June – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/5 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,000	1,000
Reserve for development costs		7,318	9,867
Retained earnings		3,879	16,684
Proposed dividends for the financial year		0	7,600
Total equity		12,197	35,151
Provisions			
Deferred tax		849	2,732
Total provisions		849	2,732
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		1,469	569
Payables to group entities		13,048	7,549
Corporation tax payables		0	3,672
Other payables		15,627	21,215
Deferred income		27,967	31,349
		58,111	64,354
Total liabilities other than provisions		58,111	64,354
TOTAL EQUITY AND LIABILITIES		71,157	102,237

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Financial statements 1 June – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividends	Total
Equity at 1 June 2022	1,000	9,867	16,684	7,600	35,151
Ordinary dividends paid	0	0	0	-7,600	-7,600
Transfers, reserves	0	-2,549	2,549	0	0
Distribution of loss for the year	0	0	-15,354	0	-15,354
Equity at 31 December 2022	1,000	7,318	3,879	0	12,197

Financial statements 1 June – 31 December

Notes

1 Accounting policies

The annual report of Minerva Group A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Change in reporting class

The Company has changed its reporting class from class C medium-sized to class B for the financial year following the acquisition by Patriot Holding ApS and the possibility to omit the preparation of consolidated financial statements with reference to section 110(1) of the Danish Financial Statements Act. The change in reporting class had no impact on recognition and measurement in the current and prior year financial statements.

Besides the change in reporting class, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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 and associates that 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.

Income statement

Gross profit

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

Financial statements 1 June – 31 December

Notes

1 Accounting policies (continued)

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 related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

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

Results of equity investments in subsidiaries

Results of equity investments in subsidiaries comprise dividends received from subsidiaries and write-down of cost prices lead by impairment assessment.

Dividends from equity investments in subsidiaries 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.

Financial statements 1 June – 31 December

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1 Accounting policies (continued)

Tax on profit/loss for the year

The Company is subject to 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.

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.

Financial statements 1 June – 31 December

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1 Accounting policies (continued)

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.

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

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.

Financial assets

Equity investments in subsidiaries and other securities and equity investments are measued 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 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 subsidiaries 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.

Financial statements 1 June – 31 December

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1 Accounting policies (continued)

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.

Service in progress

Service 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 Company. 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.

Cash at bank and in hand

Cash at bank and in hand comprises bank deposits.

Equity

Dividends

The expected dividends 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.

Financial statements 1 June – 31 December

Notes

1 Accounting policies (continued)

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 based on the planned use of the asset or settlement of the liability. 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 cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. 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.

Deferred income

Deferred income comprise payments received regarding income in subsequent years.

Leases

The company 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.

Financial statements 1 June – 31 December

Notes

DKK'000	1/6 2022 - 31/12 2022	1/6 2021 - 31/5 2022
2 Staff costs		
Wages and salaries	19,069	14,969
Pensions	531	1,224
Other social security costs	82	126
Other staff costs	0	45
	19,682	16,364
Average number of full-time employees	20	21
3 Financial income		
Interest income from group entities	471	0
Other financial income	11	128
	482	128
4 Tax on profit/loss for the year		
Current tax for the year	0	3,672
Deferred tax adjustment for the year	-1,883	-2,785
Adjustment of tax regarding previous years	-751	78
	-2,634	965

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is subject to the Danish rules on compulsory joint taxation. Consequently, the Company is jointly and severally liable for income taxes 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 in the joint taxation.

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

Minerva Group A/S has entered into operating leases with a total contingent liability of DKK 310 thousand as of 31 December 2022 (31 May 2022: DKK 431 thousand) with a remaining term of seven months. Of the total contingent liability, DKK 310 thousand (31 May 2022: DKK 410 thousand) falls due within 12 months from the balance sheet date.

Financial statements 1 June – 31 December

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6 Related party disclosures

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

Control

Patriot Holding ApS, C/O Moalem Weitmeyer, Amaliegade 3, 4., 1256 København K, 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.