Banqsoft Denmark A/S

La Cours Vej 7, 3.

2000 Frederiksberg

CVR No. 25264800

Annual Report 2021/22

22. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 September 2022

Marie-Louise Seidler Nesheim
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Banqsoft Denmark A/S for the financial year 1 April 2021 - 31 March 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 30 September 2022

Executive Board

Terje Kjøs
CEO

Supervisory Board

Jannich Kiholm Lund Chairman	Per Erik Mikael Johansson Member	Terje Kjøs Member

Independent Auditors' Report

To the shareholders of Banqsoft Denmark A/S

Opinion

We have audited the financial statements of Banqsoft Denmark A/S for the financial year 1 April 2021 - 31 March 2022, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 financial position at 31 March 2022 and of the results of its operations for the financial year 1 April 2021 - 31 March 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the “Auditors' responsibility for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 30 September 2022

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no. 25578198

David Olafsson	Kenn Wolff Hansen
State Authorised Public Accountant	State Authorised Public Accountant
mne19737	mne30154

Company details

Company	Banqsoft Denmark A/S La Cours Vej 7, 3. 2000 Frederiksberg
CVR No.	25264800
Registered office	Frederiksberg
Supervisory Board	Jannich Kiholm Lund Per Erik Mikael Johansson Terje Kjøs
Executive Board	Terje Kjøs, CEO
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

The Company's principal activities
The Company's principal activities are developing and sales of software.

Development in the activities and the financial situation of the Company
The Company's Income Statement of the financial year 1 April 2021 - 31 March 2022 shows a result of TDKK 2.621 and the Balance Sheet at 31 March 2022 a balance sheet total of TDKK 12.741 and an equity of TDKK 7.590.

Post financial year events
After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class
The annual report of Banqsoft Denmark A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as certain provisions applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency
The annual report is presented in thousand Danish Kroner (TDKK).

Translation policies
Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement
Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit
The company has decided to aggregate certain items of the Income Statement in accordance with the provisions of section 32 of the Danish Financial Statements Act. Gross profit is a combination of the items of revenue and goods for resale, other operation income and other external expenses.

Accounting Policies

Revenue
Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Revenue from construction contracts are recognised as revenue as production is carried out, whereby net revenue corresponds to the selling price of the work performed for the year. When the outcome of a contractual contact can be estimated reliably, revenue is recognized only in relation to the costs incurred, onsofar as it is likely that they will be recycled. The completion rate for measuring the output of the production is calculated on the basis of the costs consumed in relation to the latest cost estimate.

Other external expenses
Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Amortisation and impairment of tangible and intangible assets
Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Completed development projects	5 - 7 years
Concessions, patents, licences, trademarks and other similar rights	10 years
Other fixtures and fittings, tools and equipment	3-10 years

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Profit or loss on disposal of intangible and tangible fixed assets is calculated as the difference between the selling price less selling expenses and the carrying amount at the date of sale and is recognized in the income statement.

Financial income and expenses
Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish Group Companies are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish Group Companies in relation to their taxable income (full distribution).

Balance sheet

Intangible assets
Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if

Accounting Policies

the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Other intangible assets, including licenses and acquired rights etc., are measured at cost less accumulated amortization and impairment losses.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Tangible assets
Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Receivables
Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Construction contracts
Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value. The individual construction contract is recognised in the balance sheet as receivables or payables, respectively.

Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Prepaid costs
Prepaid costs recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Provisions
Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Other payables
Other payables comprising trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Accruals and deferred income entered as liabilities
Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Accounting Policies

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2021/22 DKK'000	1 January 2020 - 31 March 2021 DKK'000
Gross profit		**14.520**	**14.129**
Staff Costs	1	-9.896	-12.041
Amortisation and impairment		-709	-875
Profit from ordinary operating activities		**3.915**	**1.213**
Financial income	2	3	3
Financial expenses	3	-36	-31
Profit before tax		**3.882**	**1.185**
Tax expense for the year		-1.261	-261
Profit for the year		**2.621**	**924**

Proposed distribution of profit		
Retained earnings	2.621	924
	2.621	**924**

Balance Sheet as of 31 March

	Note	2022 DKK'000	2021 DKK'000
Assets			
Completed development projects		2.084	2.585
Acquired licences		15	20
Intangible assets		**2.099**	**2.605**
Fixtures, fittings, tools and equipment		49	102
Property, plant and equipment		**49**	**102**
Deposits		5	5
Investments		**5**	**5**
Fixed assets		**2.153**	**2.712**
Trade receivables		2.650	2.566
Contract work in progress		2.811	2.152
Receivables from group enterprises		0	54
Deferred tax		0	434
Prepayments		768	778
Receivables		**6.229**	**5.984**
Cash and cash equivalents		**4.359**	**2.515**
Current assets		**10.588**	**8.499**
Assets		**12.741**	**11.211**

Balance Sheet as of 31 March

	Note	2022 DKK'000	2021 DKK'000
Liabilities and equity			
Contributed capital		500	500
Retained earnings		7.090	4.469
Equity		**7.590**	**4.969**
Provisions for deferred tax		231	0
Provisions		**231**	**0**
Trade payables		244	297
Payables to group enterprises		467	88
Tax payables to group enterprises		564	0
Other payables		1.731	3.710
Deferred income		1.914	2.147
Short-term liabilities		**4.920**	**6.242**
Liabilities		**4.920**	**6.242**
Liabilities and equity		**12.741**	**11.211**
Contingent liabilities	4		
Collaterals and securities	5		
Related parties	6		

Statement of changes in Equity

DKK'000

	Contributed capital	Retained earnings	Total
Equity 1 April 2021	500	4.469	4.969
Profit (loss)	0	2.621	2.621
Equity 31 March 2022	**500**	**7.090**	**7.590**

Notes

	2021/22	1 January 2020 - 31 March 2021
	DKK'000	DKK'000
1. Staff Costs		
Wages and salaries	-8.989	-11.048
Pensions	-804	-858
Social security contributions	-103	-135
	-9.896	**-12.041**
Average number of employees	12	12
2. Financial income		
Other financial income	3	3
	3	**3**
3. Financial expenses		
Other financial expenses	-36	-31
	-36	**-31**

4. Contingent liabilities

The Company has rental commitments totaling DKK 0,3 million.

The Company is jointly taxed with the other Danish Group Companies in the KMD Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish Group Companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

6. Related parties

Banqsoft Denmark A/S is fully owned by Banqsoft AS which is a part of KMD Group. The Company is ultimately a 100% owned subsidiary of NEC Corporation and included in the consolidated financial statements of NEC Corporation.

A copy of the Consolidated Financial Statements can be obtained through the KMD A/S Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.