ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

1 JANUARY - 31 DECEMBER 2020

CONFIGIT A/S

Midtermolen 3

2100 København Ø

CENTRAL BUSINESS REGISTRATION no. 25 33 15 32

Adopted at the Company's
Annual General Meeting,
on 30/6 2021

Søren Elmann Ingerslev
Chairman

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Company

Configit A/S
Midtermolen 3
2100 København Ø

Central Business Registration no. 25 33 15 32

Registered in: Copenhagen

Board of Executives

Johan Carl Wilhelm Salenstedt

Board of Directores

Allan Jensen Vestergaard

Allan Bach Pedersen

Preben Damgaard Nielsen

Michael Moesgaard Andersen

Torben Brandt Munch

Company auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
Central business registration no. 19263096

Kenny Madsen, State Authorized Public Accountant

Management's Review 2020

The Group:

2020 was a different year and a difficult year all together, but at the same time a year where Configit made significant progress. A year where Configit took its share of hits from the pandemic but also proved its strong resilience. While the pandemic highlighted, and in many ways accelerated, the trend of Digitalization Strategies, some of our customers were themselves highly affected by lower customer demands. In the early start of the pandemic (Q2 and Q3) many manufacturing companies struggled with supply chain challenges and some customers even had to shut down their operations temporarily. However, when the first obstacles were dealt with, many customers restarted their Configuration Lifecycle Management (CLM) activities at similar or even higher levels compared with the pre-pandemic levels.

Furthermore, the increased awareness on CLM from competitors such as SAP is helping to develop, expand and mature the market. Additionally, analysts such as Gartner and PWC now recognize CLM as an acknowledged business practice. This is a very positive market development as Configit can deliver the most powerful CLM promise based on our unique offering.

During 2020, subscription-based pricing surpassed perpetual license pricing. Due to the pandemic, more customers had difficulties in predicting the precise speed of their rollout and license expansion, why we enhanced our license model to become even more flexible and targeted the specific needs of the market. The trend of SaaS (cloud-based offering) continued to be in high demand in the market, and we therefore initiated and invested resources into making our ACE platform fully SaaS enabled.

We saw an increasing demand from Global System Integrators such as PWC, Deloitte, and Accenture to utilize Configit's platform to drive transformation projects at their customers. During 2020 we therefore updated our global partner strategy and established a dedicated partner team to utilize the potential and opportunities that the Global System Integrators represent.

Revenues for 2020 were down compared to 2019 and didn't grow as expected. Firstly, consulting revenue was down due to customers postponing or stopping some of our key and large projects as a result of the pandemic. Secondly, the transition to subscription-based pricing has resulted in lower recognized revenue in 2020. When comparing "like for like" (converting subscription deal values into a perpetual deal size), the license revenue would have been up 15% in 2020 vs 2019. The total license volume sold in 2020 was 56% higher compared with 2019, but due to the mechanism of subscription, only a fraction was recognized as revenue in 2020.

To fund the transition to subscription, further capital has been raised by Configit in 2021.

During 2020, partners began to play a major role in how Configit drives its renewed go-to-market activities. Especially the larger Global System Integrators saw a clear trend that CLM is becoming a well-accepted standard and that CLM is recognized as the cornerstone in a digital transformation project. Currently more than 150 external consultants are engaged in delivering Configit technology-based solutions. We expect this figure to continue to increase to 300 by the middle of 2022.

In 2020 Configit hired a new CMO to drive the rapid transformation of Configit's marketing efforts. This was a part of a focused effort during which we experienced a strong growth in the pipeline in 2020 driven by new ways of operating, an upgraded digital marketing platform, and first-class account-based marketing. Furthermore, we established a webinar series covering business aspects as well as technical challenges related to complex product configuration and CLM challenges. Over the course of 2020 several hundreds of people have attended these sessions to listen and learn.

During late fall of 2019 a company-wide business transformation project was initiated. The goal was to simplify Configit's product roadmap, move to a more value-based pricing model, clarify and simplify the market message, and to build offerings that met our customers requirement for clear deliverables. During 2020 we have experienced the first benefits of this transformation. Our full CLM Platform – ACE – is maturing well and is being offered to a wide array of customers. The value-based pricing has been well received by customers as the entry point is lower, allowing the customers to flexibly scale up when needed and acquire licenses as their need grows. With a new Product Marketing function and processes in place, we can develop and present a more precise roadmap and deliver a product that is 100% market validated to match the needs from customers, partners, prospects, and analysts.

As a result of the transformation process, Configut enhanced its use of near-shoring capacity to be able to be more flexible in terms of finding the right talent faster. This, together with a new and integrated development process, allows Configit to respond much faster to market opportunities and always be in sync with market needs.

During the later part of 2020 we extended our business relationship with some key customers, including closing the biggest license deal in the history of Configit, and also acquired some key new logos such as Getriebau Nord and Arcelik, among others. During Q3 and Q4 Configit closed some strategic and long term transactions with leading global companies in the health technology sector as well as white goods. That positive trend continued in Q1 2021 where with some major wins with a leading car manufacturer and a large global company within the industry automation space.

While 2020 was a challenging year, we are confident that by leading the fast-growing CLM market Configit is well positioned for future success.

Primary activities

The Group and parent company:

The main activities of the Configit Group continue to be the development and sale of business software for configuration of products and services.

During 2020 the Group has continued its research and development efforts in software that enables the implementation of CLM and CPQ (Configure, Price and Quote) as either an "on premise" solution or a Software as a Service (SaaS) solution, where the core of the software comprises the Virtual Tabulation technology patented by Configit.

CLM continues to be the center of all marketing and sales activities in Configit and is expected to experience significant growth over the coming years. CPQ, with its mature market, is an important element in many CLM solutions, including being a lead generator for Configit, but CPQ only fulfills part of the needs of the customers. Configit's full CLM solution covers not only the sales side (CPQ), but also the engineering, the production, as well as the services side. This "full-circle" CLM offering is unique to Configit.

Development in the activities and finances

The Group:

The loss before tax for 2020 shows a result of DKK - 51.435.785 / tEUR -6.914 and an EBITDA of DKK -19.027.268 / tEUR -2.558. The Group balance sheet as of 31 December 2020 shows an equity of DKK 17.909.366 / tEUR 2.407, corresponding to a solvency ratio of 15,53 % on an aggregate balance sum of DKK 115.343.745 / tEUR 15.505. (The exchange rate used for DKK versus EUR is based on the official exchange rate from the Danish National Bank as published on 31st of December 2020.)

Seen in the light of last years' pandemic, Management considers the financial result to be better than originally expected at the start of the pandemic, but in view of the general development of Configit, Management does not consider this years' financial result to be satisfactory.

Parent company:

The parent company's loss before tax for 2020 shows a result of DKK -52.296.731 / tEUR -7.030 and an EBITDA of DKK -8.605.951 / tEUR -1.157. The company's balance sheet as of 31 December 2020 shows an equity of DKK 17.909.366 / tEUR 2.407, corresponding to a solvency ratio of 16,71 % on an aggregate balance sum of DKK 107.185.257 / tEUR 14.408. (The exchange rate used for DKK versus EUR is based on the official exchange rate from the Danish National Bank as published on 31st of December 2020.)

Seen in the light of last years' pandemic, Management considers the financial result better than expected at the start of the pandemic, but in view of the general development of Configit, Management does not consider this years' financial result to be satisfactory.

Outlook

The Group:

Management expects the investments and initiatives already executed to result in a positive trend in revenue and activity growth as Configit transitions to a more subscription-based license model.

Configit continues to balance costs with the current revenue levels and the performance outlook.

The Group also expects the CLM market to expand and grow, both in terms of market recognition and sales opportunities. Configit Group will continue to prioritize maintaining its leadership within the CLM space and further advance Configit's position as the preferred supplier of demanding and complex configuration solutions to the world's most demanding configuration challenges.

Configit Group will continue its investments in the North American and European markets.

Parent company:

Management expects a positive trend in the activity growth in 2021, both in the parent company as well as in its international subsidiaries.

Particular risks

The Group and parent company:

The growth of Configit's business is based on a number of success criteria. Management believes the Group performs well in respect to these criteria. However, certain factors can impact the success of the Group and therefore represent a potential risk. Configit's management and board of directors consider the following general risk factors to be the most important:

Potential Pandemic Effects

The customers of Configit operate within the complex manufacturing space and in many different regions and countries across the globe. Therefore there is a potential risk to our business in the situation where a pandemic situation would occur. The risk consists mainly of two different scenarios:

1) A slowdown in demand whereby the revenue for our customers decrease.
2) Challenges within our customers' supply chain whereby they are not able to obtain parts to manufacture at normal speed.

The solution that Configit delivers is mission critical and will normally be prioritized, even during challenging periods, which has been proved during the 2020 pandemic. While a pandemic situation would have an effect on the business for Configit, it is hard to estimate the details of such an impact.

Customers and markets

1) The risk that the market for CLM and CPQ software is impacted by general market conditions limiting the opportunities for growth for the Group.
2) The risk of competitors anticipating trends in the markets earlier than Configit and affecting a more structured expansion of their international distribution networks.
Through detailed market research and cooperation with analysts, Configit aims to be on the forefront of the development in the market in which Configit operates.

Corporate culture and know-how

1) The risk of failure to continue to attract, retain, and develop the best employees and failure to identify and incentivize the best management talent.
2) The risk of failure, in connection with acquisitions and expansion of new business areas, to integrate new employees into the organization and to maintain, protect, and continue Configit's strong corporate values as a fundamental element of business development.

Configit works to constantly be an attractive place to work with a clear value set and strategic direction.

Products

1) The risk that competitors' product innovation is better able to meet market requirements.
2) The risk of inadequate quality control and testing of the Group's products prior to the release of new software versions.

Through a clear product direction that is aligned with the market through customer forums and input from market analysts, Configit maintains a roadmap which is attractive to existing and potential customers alike.

Contract risk

1) The risk that the Group's customer contracts or other agreements impose abnormal obligations on Configit. This is the risk of failure to draft customer contracts and other agreements in a balanced way, taking into account local business practices, customers' legitimate requirements, as well as protection of the Group's material business interests.

IT environment
1) The risk of breakdown or temporary interruption of IT systems not adequately backed up by technical infrastructure that restores critical business IT services immediately.

Financial Risk
1) The risk comprises currency risk, liquidity risk, and credit risk. The Group manages financial risk by ensuring sufficient procedures and controls are in place to ensure that potential losses from these risks are exposed as early as possible.

Management continuously monitors the development of the identified risk factors and reports on these to the Board of Directors. This enables the Board's ability to support management with their tasks and make the required decisions to handle the identified risks.

Intellectual capital resources
The Group and parent company:
The most significant knowledge resources are primarily the employees of the Group. The employees are generally highly educated specialists within software development, project management, and IT implementation, specifically focusing on configuration. The employees continue to contribute significantly to the Groups results in the coming years.

Research and development activities
The Group:
The Group has capitalized DKK 47.361.776 relating to the Group's research and development activities within the Company's normal product range. This corresponds to c. 65,58 % of the Groups' gross profit.

These activities are depreciated from time of completion in a period corresponding to the expected time in which the activities will contribute positively to the Group's growth and earnings.

As the Group continues to invest in improvements of the Group's product portfolio, the depreciation period is estimated to be 5 years in average.

The value of the capitalized research and development activities is evaluated continuously. It is the Management's view that the value that is stated in the Annual report for 2020 is fair.

The Group expects these activities to contribute to the Group's continued growth and earnings.

Company information
The primary owners are Polaris Private Equity who have the majority vote and who are represented in the Board of Directors.

The Board of Directors have held 5 board meetings and 2 extraordinary meetings during the financial year. From the start of the pandemic most meetings were held by video conference. Furthermore, a number of meetings have been held during the year covering specific topics including various oversight of projects and management tasks.

Company information, continued

The Group Management makes monthly financial reports and follows up on recorded differences to the forecast and budget on a regular basis. Periodic cashflow forecasts are made based on current expectations for receipts and payments in order to manage and follow up on liquidity. This work is reviewed by the Board of Directors.

The Board has not established any separate formal committees (for example remuneration committee or audit committee) due to the size of the company. The Board regularly assesses whether such committee are required in order to ensure adequate focus on e.g. risk management.

Statutory Report on Corporate Social Responsibility

Our Business

Configit develops, sells, and implements industry-leading configuration software for multinational manufacturers in automotive, industrial machinery and medical devices. Configit also works closely with a large variety of partners who sell and implement our software on our behalf. Configit is headquartered in Denmark, with subsidiaries in the United Kingdom, Germany, and the US.

Our Responsibility

As the leader in Configuration Lifecycle Management, Configit is committed to providing global manufacturers transformative, business-critical solutions for the configuration of complex products in a sustainable, responsible way. Our commitment is founded on respect for internationally recognized principles for sustainable development; human rights (including labour rights), the environment, and anti-corruption.

We believe that Configit has social responsibilities as well as financial, and we have therefore implemented the internationally agreed standard for responsible business conduct: The UN Guiding Principles for Business and Human Rights (UNGPs), covering social sustainability, and the OECD Guidelines for Multinational Enterprises (OECD), covering environmental and economic sustainability. As part of our due diligence, we conduct annual impact assessments to identify our risks in these three areas, outline our actions to prevent or mitigate identified risks, and develop indicators to track effectiveness of our actions.

Our responsibility for sustainable development is embedded in our “Commitment” that fulfils the requirements from UNGPs/OECD and the expectations of the Annual Accounts Act of a policy for human rights, which per definition covers labour rights and ‘social issues’, a policy for the environment, also covering climate change, and a policy for anti-corruption.

In addition to Configit implementing the international standard for responsible business conduct, we expect the same from our business relationships. As we, per definition, are responsible for the adverse impacts of our business relationships, the most effective way to prevent or mitigate such impacts, will be that our business relationships also meet the standard. And that they raise a similar demand to their business relationships. For this purpose we have adopted and published our Code of Conduct for Business Relationships.

Respect for Human Rights
Configit's Corporate Commitment to sustainability is aligned with the UNGPs. As part of our efforts to demonstrate human rights due diligence, we carried out an update of our human rights impact assessment covering our Headquarter in Copenhagen and our Danish activities.

In our impact assessment we identified risks of impact on 15 of the 48 areas covered by human rights. Not surprisingly our risks of severe impact were identified in relation to two human rights: right to privacy and intellectual property rights. We continuously work to prevent and mitigate our impact in these areas as well.

Persons, that may be at risk of experiencing impacts, or business relationships, that would have an interest in taking a deeper look into our actions and how we measure effectiveness of our actions, shall be welcome to contact us.

In addition, we found that our products hold the capacity to contribute considerably to the human right 'freedom of information'.

Environment and Climate
Configit's commitment to responsible business conduct encompasses due diligence for environmental impacts, including impacts on the climate. Our commitment to implement the OECD Guidelines means that we continuously identify, where we are at risk of impacting the environment. We are not at risk of causing or contributing to significant impacts, but we have continuous focus on reducing CO_2 emissions.

We are also proud that our products can contribute to reducing CO_2 emissions for our customers e.g. by enabling more efficient communication between sales and production and by eliminating manufacturing errors resulting from faulty configurations.

Respect for economic sustainability – anti-corruption
Responsible business conduct entails that Configit also commits to due diligence in relation to economic sustainability, hereunder anti-corruption. We implement the OECD Guidelines in all areas of our business. In our impact assessments we identified no serious risks related to economic sustainability, hereunder corruption and bribery. Similar to any other business we prevent or mitigate risks in relation to e.g. cronyism and nepotism, as well as risks in relation to disproportionately large gifts. During 2020 we implemented appropriate procedures in this area.

Social and Staff Matters
Configit's employees are the backbone of the company, and their well-being, health, and safety in the workplace are crucial to our success as a business. All these areas are covered by our human rights impact assessments and thus covered by our Commitment. Dignity is a core concept in Configit. All employees receive our Employee Handbook that is also available on our intranet. All new employees are introduced to our commitment and to the Employee Handbook during onboarding training. Furthermore, Configit carried out an engagement survey including all employees as to maintain and further develop a healthy working environment. These documents and activities lay the foundation for a work environment where our employees feel motivated and productive. Additionally, our staff is active and social outside of working hours. We host three formal staff events every year, and regular informal social gatherings occur as well.

At the end of the financial period Configit had 81 employees in Denmark, which is a decrease of 13 during the year. Additionally, Configit had 60 employees in the rest of the world, which is a decrease of 16 during the year. An overview of this development is shown in the table below:

Social and Staff Matters, continued

	Denmark	*Rest of world*	*Total number of employees*
As per 1/1 2020	90	76	166
New hires	6	12	18
Leavers	19	28	47
As per 31/12 2020	77	60	137

During 2021, Configit will introduce a whistleblower procedure that ensures all employees, managers, and Board members have an alternative reporting mechanism to the general reporting procedures. The procedure will provide employees with an understanding of what they must do, and whom they must contact, if they become aware of or have suspicion of fraud, bribery, or other factors that are against the law or Configit's internal rules.

Statutory Report on the Gender Composition of Management
We are committed to respect human rights. This implies that we shall ensure equal opportunities to our employees at all levels of our business. We are aware that women are underrepresented on the Board of Directors and in the Executive Management Team. As of 31 December 2020, we have 0 women and 5 men on the Board of Directors. Our owners' focus on women in management, and Configit has the target to have at least one representative of the underrepresented gender on the Board of Directors before the end of 2023. Our focus has enabled that the representation of women in the top management has doubled compared to 2019. Thus, Configit currently has two women and six men in the Executive Management Team.

In order to mitigate underrepresentation, we strive to find suitable female candidates when recruiting for open positions at Configit. While qualification is the highest priority, we ensure that candidates of all genders are equally considered during the hiring process through dialogue between management, HR, and the hiring manager. At the end of 2020, 25% of the total staff were women.

Key Performance Indicators for 2021
1. Publish Commitment on webpage
2. Publish Code of Conduct for Business Relationships on webpage
3. Carry through annual re-assessments in Denmark as part of our due diligence
4. Conduct impact assessments for one new location as part of our due diligence

Establish a GHG emissions protocol for Configit.

Ownership
Configit A/S ownes 100 % by Configit Holding A/S.

Financial highlights for the Group

Amounts in DKK '000	2020	2019	2018	2017	2016
Income statement					
Gross profit/loss	72.222	98.975	93.916	116.867	78.753
Profit/loss from primary activities	-40.611	-41.324	-43.923	6.070	-8.736
Net financials	-10.825	-2.228	350	-4.179	835
Profit/loss for the year	-44.791	-33.536	-37.606	-1.188	-6.832
Balance sheet					
Balance sheet total	115.344	138.223	129.564	111.291	90.925
Investments in property, plant and equipment	695	1.605	3.943	1.713	956
Investments in intangible assets	21.333	22.116	20.963	20.633	13.847
Invested capital	52.242	85.452	79.215	76.060	52.372
Equity	17.909	59.193	20.826	25.279	25.711
Ratios					
Return on assets	-	-	-	-	-
Solvency ratio	15,53%	42,82%	16,07%	22,71%	28,28%
Return on equity	-	-	-	-	-

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 January - 31 December 2020 of Configit A/S.

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 Group and the Company's financial position at 31 December 2020 and of the result of the Group and the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

In our opinion, the Management's Review includes a fair review of the matters the review deals with.

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

København Ø, 29th June 2021

Board of Executives

Johan Carl Wilhelm Salenstedt
CEO

Board of Directors

Allan Jensen Vestergaard Chairman	Allan Bach Pedersen Boardmember
Preben Damgaard Nielsen Boardmember	Michael Moesgaard Andersen Boardmember

To the shareholder of Configit A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Configit A/S for the financial year 1 January to 31 December 2020, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity, cash flow statement and notes for both the Group and the Parent Company.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group and Parent Company's operations and cash flows for the financial year 1 January to 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities 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 as 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.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 judgment and maintain professional skepticism 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.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements, continued

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 Management’s Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover 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 Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Acts. We did not identify any material misstatement of Management’s Review.

Søborg, 29th June 2021

inforevision
statsautoriseret revisionsaktieselskab
(Central Business Registration no. 25 33 15 32)

Kenny Madsen
State Authorized Public Accountant
mne33718

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class C enterprises for medium-sized enterprises.

The accounting policies have not been changed from last year.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for the year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions, as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

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

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

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less installments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish Kroner, DKK. All other currencies are considered foreign currencies.

FOREIGN CURRENCY TRANSLATION

During the year, transactions in foreign currencies have been translated by applying the exchange rate at the transaction date. If currency positions are considered a hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

CONSOLIDATED FINANCIAL STATEMENT
The consolidated financial statements comprise the parent company and the enterprises (group enterprises) controlled by the parent company. The parent company is deemed to be controlling an enterprise when it directly or indirectly controls more than 50 % of the voting rights or is otherwise able to exercise control or de facto control with respect to the economic and operational decisions in the enterprise.

The consolidated financial statements are prepared on the basis of the audited financial statements of the parent company and the group enterprises by the adding together of items of a uniform nature.

In the preparation of the consolidated financial statements, all intercompany balances, income and expenses as well as gains and losses arising from transactions between the group enterprises have been eliminated.

Equity investments in the group enterprises have been eliminated by the group enterprises' proportionate shares of the equity value.

The financial statements used for the purpose of consolidation have been prepared in accordance with the consolidated accounting policies. The net profit or loss for the year and the equity of foreign enterprises have been expressed in Danish Kroner. Foreign currency translation adjustments arising as a result of translation of the equity of the foreign enterprises at the beginning of the financial year and translation of the net profit or loss for the year from the average rate of exchange to the closing rate are charged directly to equity.

Where group enterprises have been acquired, the balance resulting from the elimination has to the extent possible been distributed on the assets and liabilities of the group enterprises whose value is above or below the amount at which they were booked when the group relation was established. Any remaining positive balance is treated as consolidated goodwill and stated under intangible assets. A negative difference reflecting an expected cost or an unfavourable development is recognized as income in the income statement in the year of acquisition.

INCOME STATEMENT
The income statement has been classified by nature.

Gross profit/loss
The Company has aggregated the items "revenue" and "external expenses".

Revenue
As income recognition criterion for sale of services, the production criterion is applied. Revenue comprises the invoiced revenue for the year reduced by prepayments and with addition for work in progress measured at market value. Revenue is measured at fair value excluding VAT and less granted discounts.

As income recognition criterion for license sales, the sales method is applied. Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer before the end of the financial year. Revenue is measured at fair value excluding VAT and less granted customer discounts.

As income recognition criterion for sale of support and maintenance, the sales method is applied. A percentage of 30% of the invoiced revenue regarding support and maintenance in the coming year is deferred to cover the Company's obligations, including a normal margin.

External expenses
External expenses comprise selling costs, facility costs, administrative expenses, and not capitalised development costs.

Staff costs
Staff costs include wages and salaries, including holiday pay, pensions, and other social security costs etc. to the Company´s employees. Staff costs are reduced with payments received from public authorities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the group enterprises' operating profit/loss adjusted for internal profits and losses less annual amortisation of goodwill/badwill on consolidation.

Other financial income and other financial expenses
Financial income and expenses are recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes
Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to the adjustment of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises, with Configit Holding A/S as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation, with a refund for tax losses of the Danish Corporation Tax Act.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET
The balance sheet has been presented in account form.

ASSETS

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For own-developed development projects, production costs are also included. Indirect production costs include indirect materials and payroll applied for the development.

Assets are amortised on a straight-line basis over their estimated useful lives:

Completed development projects	5 yr.

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the depreciation period.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

Property, plant and equipment

Property, plant, and equipment are measured at cost less accumulated amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For self-produced property, plant, and equipment, indirect production costs are also included. Indirect production costs include indirect materials and payroll as well as maintenance and depreciation of production equipment applied for the production of the assets.

The cost price for an asset is divided into separate components that are depreciated separately if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

	Useful lives	Residual value
Leasehold improvements	5 yr.	0%
Other fixtures, etc.	3 - 5 yr.	0%

Minor purchases with useful lives below one year have been recognised as expenses in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

Leasing
Property, plant and equipment that are assets held under lease and meet the conditions for financial leasing are accounted for according to the same guidelines as owned assets. Assets held under lease are recognised in the balance sheet at the lower of fair value and present value of the future lease payments. On calculation of the present value, the internal interest rate of the lease is applied as discount factor or an approximate value thereof. Assets held under finance lease are depreciated and written down according to the same policies as are determined for the Company's remaining fixed assets.

The capitalised remaining lease commitment is recognised in the balance sheet as a liability other than provisions, and the interest portion of lease payments is recognised over the term of the lease in the income statement.

Remaining leases are considered operating leases. Payments in relation to operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Impairment of intangible assets and property, plant, and equipment
The carrying amount of intangible assets and property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant, and equipment and intangible assets.

Investments in group enterprises
Investments in group enterprises have been recognised according to the equity method, so that the investment is measured at the pro rata share of the group enterprises' net asset value adjusted for internal dividends and gains.

Foreign group enterprises' profit or loss and equity have been translated into DKK. Exchange adjustments arising on translation of the foreign group enterprises' equity at the beginning of the financial year as well as profit/loss for the financial year are taken to equity.

Distributable reserves in group enterprises which are distributed as dividends to the Parent at the balance sheet date are included in the value of investments.

Group enterprises with negative net asset values are measured at zero, and any receivable from such enterprises is written down by the Parent's share of the negative net asset value to the extend deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognised in provisions to the extent the Parent has a legal or constructive obligation to cover the relevant enterprise's liabilities.

Acquisition of group enterprises are recognised at cost. The difference between the cost price and the net asset value of the acquired company, which appears at the time of establishing the consolidation, is as far as possible allocated to the assets and liabilities whose value is higher or lower than the carrying amount. A remaining positive difference is treated as goodwill and included in the value of investments, which is amortised in the income statement. A negative difference , reflecting an expected cost or an unfavourable development, is recognised as income in the income statement in the year of acquisition.

Investments in group enterprises, continued
The total net revaluation of investments in group enterprises is allocated via the profit distribution to "reserve for net revaluation according to the equity method" under equity. The reserve is reduced by dividend distributions to the Parent and is adjusted by changes in equity in the group enterprises.

Other receivables (fixed assets)
Other receivables recognised under fixed assets comprise rental deposits measured at amortised cost , which usually correspond to a nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Receivables
Receivables are measured at amortised cost which usually correspond to a nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Contract work in progress
Contract work in progress has been recognised according to the production criterion, according to which work in progress is measured at the market value of the work performed. The market value is measured on the basis of the degree of completion at the balance sheet date and the total anticipated income from each work in progress.

When the market value of the individual work in progress cannot be measured reliably, the market value is recognized at cost or net realizable value, if this value is lower.

Each work in progress is recognised in the balance sheet in receivables or liabilities other than provisions depending on the net value of the selling price less on account invoicing and prepayments.

Costs in connection with sales work and contracting are recognised in the income statement as incurred. Any finance costs of financing of work in progress are included in financial expenses.

Prepayments
Prepayments comprise costs incurred relating to subsequent financial years.

EQUITY AND LIABILITIES
Equity
Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax
Deferred tax is measured according to the liability method. A 22 % deferred tax provision has been made on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measured with respect to the planned use of the asset and the settlement of the liability.The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

Provision for deferred tax, continued
The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Financial liabilities
Liabilities have been measured at amortised cost, which corresponds to nominal value.

Deferred income
Deferred income comprises income received relating to subsequent years.

CASH FLOW STATEMENT
The cash flow statement shows the Group's and the Company's cash flows for the year, as well as the Group's and the Comapny's cash and cash equivalents at year-end.

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognized from the date of acquisition and cash flows from divested companies are recognized until the transfer date.

Cash flows from operating activities have been calculated as profit or loss adjusted for non-cash operating items, financial income and expenses paid, corporation taxes, as well as increase and decrease in inventories, trade receivables, trade payables, and other changes in assets and liabilities other than provisions derired from operations.

Cash flows from investing activities comprise payments in connection with acquisition and sale of fixed assets.

Cash flows from financing activities comprise payments from inception and repayment of long-term liabilities other than provisions as well as payments made to and received from shareholders.

Cash and cash equivalents comprise cash funds as well as operating credits at credit institutions included in the Groups and the Company’s cash management.

FINANCIAL HIGHLIGHTS
The ratios have been prepared in accordance with the online version of "Guidelines and ratios" from The Danish Finance Analysts Society.

The ratios have been calculated as follows:

Return on invested capital = $\dfrac{\text{Operating profit * 100}}{\text{Average invested capital}}$

Solvency = $\dfrac{\text{Equity at year-end * 100}}{\text{Total assets}}$

Return on equity = $\dfrac{\text{Profit or loss for the year * 100}}{\text{Average equity}}$

* Invested capital = Intangible and fixed assets relating to the activities + net working capital.

INCOME STATEMENT	GROUP		PARENT		
	2020	2019	2020	2019	Note
GROSS PROFIT/LOSS	72.221.851	98.974.574	38.913.958	29.061.187	
Staff costs	-91.249.119	-121.209.464	-47.519.909	-56.892.123	1
PROFIT/LOSS BEFORE DEPRECIATION, INTEREST AND TAX	-19.027.268	-22.234.890	-8.605.951	-27.830.936	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	-21.388.088	-19.089.428	-20.610.485	-18.838.841	6,7
OPERATING PROFIT/LOSS	-40.611.200	-41.324.318	-29.216.436	-46.669.777	
Income from investments in group enterprises	0	0	-17.478.093	4.471.595	9
Other financial income	699.401	444.203	2.829.237	1.256.128	2
Other financial expenses	-11.523.986	-2.672.454	-8.431.439	-2.811.408	3
PROFIT/LOSS BEFORE TAX	-51.435.785	-43.552.569	-52.296.731	-43.753.462	
Tax on profit/loss for the year	6.644.301	10.016.767	7.505.247	10.217.660	4
PROFIT/LOSS FOR THE YEAR	-44.791.484	-33.535.802	-44.791.484	-33.535.802	5

ASSETS	GROUP		PARENT		
	31/12 2020	31/12 2019	31/12 2020	31/12 2019	Note
Completed development projects	47.361.776	45.209.139	46.201.365	42.041.596	6,7
Acquired patents and other rights	263.823	310.385	263.827	310.385	6,7
INTANGIBLE ASSETS	47.625.599	45.519.524	46.465.192	42.351.981	
Leasehold improvements	0	0	80.966	1.195	6,7
Other fixtures and fittings, tools and equipment	2.659.207	4.183.408	1.351.043	2.730.148	6,7
PROPERTY, PLANT AND EQUIPMENT	2.659.207	4.183.408	1.432.009	2.731.343	
Investments in group enterprises	0	0	10.310.349	15.841.842	8,9
Other receivables	2.820.930	2.978.463	2.325.003	2.316.045	6,8
FINANSIELLE ANLÆGSAKTIVER					
FIXED ASSET INVESTMENTS	2.820.930	2.978.463	12.635.352	18.157.887	
FIXED ASSETS	53.105.737	52.681.395	60.532.553	63.241.211	
Trade receivables	43.903.275	66.410.998	14.276.394	37.279.151	
Contract work in progress	0	0	0	0	10
Receivables from group enterprises	116.820	0	19.720.600	24.305.549	
Other receivables	0	0	38.992	1.411.723	
Deferred tax assets	5.200.000	3.478.135	5.200.000	2.315.504	4
Prepayments	1.014.330	1.470.140	547.709	768.100	10
RECEIVABLES	50.234.425	71.359.273	39.783.695	66.080.027	
CASH	12.003.584	14.182.502	6.869.009	716.899	
CURRENT ASSETS	62.238.009	85.541.775	46.652.704	66.796.926	
TOTAL ASSETS	115.343.745	138.223.170	107.185.257	130.038.137	

EQUITY AND LIABILITIES	GROUP		PARENT		
	31/12 2020	31/12 2019	31/12 2020	31/12 2019	Note
Share capital	41.804.783	41.804.783	41.804.783	41.804.783	11
Reserve for development expenditure	0	0	36.037.065	32.792.445	
Retained earnings	-23.895.417	17.388.547	-59.932.482	-15.403.898	
EQUITY	17.909.366	59.193.330	17.909.366	59.193.330	
Provision for deferred tax	0	0	0	0	4
PROVISIONS	0	0	0	0	
Other payables	6.088.417	2.446.573	5.848.701	2.446.573	
LONG-TERM LIABILITIES OTHER THAN PROVISIONS	6.088.417	2.446.573	5.848.701	2.446.573	12
Other credit institutions	0	0	169.873	250.174	
Trade payables	10.299.723	9.464.521	6.438.885	4.868.034	
Payables to group enterprises	48.385.191	44.251.347	65.310.655	50.695.000	
Payable corporation tax	0	199.508	0	0	4
Other payables	15.811.083	14.642.013	11.507.777	11.501.182	
Deferred income	16.849.965	8.025.878	0	1.083.844	13
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	91.345.962	76.583.267	83.427.190	68.398.234	
LIABILITIES OTHER THAN PROVISIONS	97.434.379	79.029.840	89.275.891	70.844.807	
TOTAL EQUITY AND LIABILITIES	115.343.745	138.223.170	107.185.257	130.038.137	

14 Significant events occurring after end of reporting period
15 Contingent liabilities
16 Assets charged and security
17 Contractual obligations
18 Related parties
19 Group
20 Adjustments, cash flow
21 Guarantees

Statement of changes in equity	THE GROUP			
	Share capital	Reserve for development expenditure	Retained earnings	TOTAL
Equity at 1/1 2019	41.802.783	0	-20.976.376	20.826.407
Capital increase (debt conversion)	2.000	0	71.998.000	72.000.000
Transferred to/from other oitems	0	0	0	0
Transferred from distribution of profit/loss	0	0	-33.535.802	-33.535.802
Exchange rate adjustments, foreign group companies	0	0	-97.275	-97.275
Equity at 1/1 2020	41.804.783	0	17.388.547	59.193.330
Capital increase (cash and debt conversion)	0	0	0	0
Transferred from distribution of profit/loss	0	0	-44.791.484	-44.791.484
Exchange rate adjustments, foreign group companies	0	0	3.507.520	3.507.520
Equity at 31/12 2020	41.804.783	0	-23.895.417	17.909.366

Statement of changes in equity	PARENT			
	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1/1 2019	41.802.783	27.590.969	-48.567.345	20.826.407
Capital increase	2.000	0	71.998.000	72.000.000
Transferred to reserve for development expenditure	0	5.201.476	-5.201.476	0
Transferred from distribution of profit/loss	0	0	-33.535.802	-33.535.802
Exchange rate adjustments, foreign group companies	0	0	-97.275	-97.275
Equity at 1/1 2020	41.804.783	32.792.445	-15.403.898	59.193.330
Capital increase	0	0	0	0
Transferred to reserve for development expenditure	0	3.244.620	-3.244.620	0
Transferred from distribution of profit/loss	0	0	-44.791.484	-44.791.484
Exchange rate adjustments, foreign group companies	0	0	3.507.520	3.507.520
Equity at 31/12 2020	41.804.783	36.037.065	-59.932.482	17.909.366

CASH FLOW STATEMENT	GROUP		PARENT		
	2020	2019	2020	2019	Note
Profit/loss for the year	-44.791.484	-33.535.802	-44.791.484	-33.535.802	
Amortisation, depreciation, and impairment for loss of intangible and tangible fixed assets	21.388.088	19.089.428	20.610.485	18.838.841	
Adjustments	4.180.284	-7.788.516	15.575.048	-13.133.975	20
Change in trade receivables	22.507.723	2.046.060	23.002.757	1.813.532	
Change in trade payables	835.202	-653.426	1.570.851	-2.450.773	
Change in other working capital items	14.090.811	-511.580	3.899.155	-3.594.295	
CASH FLOWS FROM OPERATING ACTIVITIES	18.210.624	-21.353.836	19.866.812	-32.062.472	
Financial income	699.401	444.203	2.829.237	1.256.128	
Financial expenses	-11.523.986	-2.672.454	-8.431.439	-2.811.408	
Income tax paid/refund	4.722.928	5.217.630	4.620.751	4.543.328	
CASH FLOWS FROM OPERATING ACTIVITIES	12.108.967	-18.364.456	18.885.361	-29.074.424	
Acquisition of intangible assets	-21.332.907	-22.115.846	-23.108.946	-20.598.921	
Acquisition of property, plant and equipment	-695.197	-1.605.335	-331.940	-580.402	
Sale of property, plant and equipment	0	0	16.524	0	
Acquisition of fixed asset investments	-8.958	-463.302	-8.958	-42.559	
Sale of fixed asset investments	160.155	0	0	0	
Changes in financing of subsidiaries	0	0	-518.769	-8.478.916	
CASH FLOWS FROM INVESTING ACTIVITIES	-21.876.907	-24.184.483	-23.952.089	-29.700.798	
Cash capital injection	0	57.000.000	0	57.000.000	
Changes in financing from owners	4.017.024	15.186.680	11.299.139	19.154.181	
CASH FLOWS FROM FINANCING ACTIVITIES	4.017.024	72.186.680	11.299.139	76.154.181	
CHANGES FOR THE YEAR IN CASH AND CASH EQUIVALENT	-5.750.916	29.637.741	6.232.411	17.378.959	
Exchange adjustments of the year	3.571.998	-137.274	0	0	
Cash and cash equivalents at 1/1 2020	14.182.502	-15.317.966	466.725	-16.912.234	
CASH AND CASH EQUIVALENTS AT 31/12 2020	12.003.584	14.182.502	6.699.136	466.725	
That can be specified as:					
Cash	12.003.584	14.182.502	6.869.009	716.899	
Other credit institutions (short term)	0	0	-169.873	-250.174	
CASH AND CASH EQUIVALENTS AT 31/12 2020	12.003.584	14.182.502	6.699.136	466.725	

	GROUP		PARENT	
1 Staff costs	2020	2019	2020	2019
Wages and salaries	107.368.716	137.105.481	61.504.384	76.700.296
Pensions	886.190	1.250.794	0	0
Other social security costs	4.327.120	4.969.036	515.626	790.748
TOTAL	112.582.026	143.325.311	62.020.010	77.491.044
Capitalized wages and salaries	-21.332.907	-22.115.847	-14.500.101	-20.598.921
TOTAL	91.249.119	121.209.464	47.519.909	56.892.123
Average number of full-time employees	149	183	80	98

Referring to section 98 b(3) of the Danish Financial Statements Act, remuneration of Board of Executive and Board of Directors has not been disclosed.

	GROUP		PARENT	
2 Other financial income	2020	2019	2020	2019
Interest income to group enterprises	0	0	2.770.906	2.818.924
Other financial income	699.401	444.203	58.331	-1.562.796
TOTAL	699.401	444.203	2.829.237	1.256.128

	GROUP		PARENT	
3 Other financial expenses	2020	2019	2020	2019
Interest expenses to group enterprises	2.040.299	0	2.382.441	2.291.397
Other financial expenses	9.483.687	2.672.454	6.048.998	520.011
TOTAL	11.523.986	2.672.454	8.431.439	2.811.408

	GROUP		PARENT	
4 Tax on profit/loss for the year, corporation tax and deferred tax	2020	2019	2020	2019
Tax on profit/loss for the year:				
Tax on taxable income for the year	0	0	0	0
Taxes foreign countries	0	11.164	0	0
Non exempted withholding taxes	0	0	15.550	19.987
Adjustment, previous years	-4.922.436	303.585	-4.636.301	-436.339
Deferred tax	-1.721.865	-10.331.516	-2.884.496	-9.801.308
TOTAL	-6.644.301	-10.016.767	-7.505.247	-10.217.660
Payable corporation tax:				
Payable at 1/1 2020	199.508	209.376	0	0
Adjustment, previous years	-4.922.436	0	-4.636.301	0
Received regarding the year and previous years	4.722.928	-9.868	4.636.301	0
Tax on taxable income for the year	0	0	0	0
PAYABLE AT 31/12 2020	0	199.508	0	0
Deferred tax:				
Deferred tax at 1/1 2020	-3.478.135	1.311.134	-2.315.504	3.358.828
Adjustment, previous years	4.922.436	303.585	4.636.301	-436.339
Reimbursement tax credit system and joint taxation	0	5.238.662	0	4.563.315
Deferred tax of the year in the income statement	-6.644.301	-10.331.516	-7.520.797	-9.801.308
DEFERRED TAX AT 31/12 2020	-5.200.000	-3.478.135	-5.200.000	-2.315.504
Deferred tax is incumbent upon the following assets and liabilities:				
Intangible assets	11.490.972	10.990.841	10.183.323	9.268.661
Tangible assets	-305.901	-162.134	-284.162	-133.698
Current assets	120.496	168.982	120.496	168.982
Liabilities other than provisions	1.109.318	556.373	1.109.318	556.373
Unutilised losses	-17.614.884	-15.032.197	-16.328.974	-12.175.822
TOTAL	-5.200.000	-3.478.135	-5.200.000	-2.315.504

	GROUP		PARENT	
5 Distribution of profit/loss	2020	2019	2020	2019
Retained earnings	-44.791.484	-33.535.802	-44.791.484	-33.535.802
PROFIT/LOSS FOR THE YEAR	-44.791.484	-33.535.802	-44.791.484	-33.535.802

6 List of fixed assets, amortisation and impairment, intangible assets and property, plant and equipment	THE GROUP					
	Completed development projects	Acquired patents and other right	Other fixtures, etc.	Other receivables	TOTAL	31/12 2019
Cost at 1/1 2020	144.271.430	310.385	9.274.212	2.978.463	156.834.490	132.647.742
Exchange adjustments	0	0	-47.720	-6.336	-54.056	2.265
Additions for the year	21.332.907	0	605.990	8.958	21.947.855	24.184.483
Additions for the year	0	0	-567.976	-160.155	-728.131	0
COST AT 31/12 2020	165.604.337	310.385	9.264.506	2.820.930	178.000.158	156.834.490
Amortisation and impairment at 1/1 2020	99.062.291	0	5.090.804	0	104.153.095	85.101.399
Exchange adjustments	0	0	10.422	0	10.422	-37.732
Amortisation and depreciation for the year	19.180.270	46.562	2.161.256	0	21.388.088	19.089.428
Exchange adjustments	0	0	-657.183	0	-657.183	0
AMORTISATION AND IMPAIRMENT AT 31/12 2020	118.242.561	46.562	6.605.298	0	124.894.421	104.153.095
CARRYING AMOUNT AT 31/12 2020	47.361.776	263.823	2.659.207	2.820.930	53.105.737	52.681.395

The Group's development projects comprise development of new functionality in the Group's product portfolio (Ace, Model, Build and Quote) as well as development of cloudbased solutions/products. The projects are progressing as planned, and the cost are capitalized on an ongoing basis. The individual projects are amortised over the shorter of the sellable life of product or 5 years. The amortisation begins at completion. Market research and customer interest show an increased interest for the key competences of the Group – development and research in software that enables implementation of CLM (Configuration Lifecycle Management) the core of which is the patented technology of the parent company Configit A/S.

7 List of fixed assets, amortisation and impairment, intangible assets and property, plant and equipment	PARENT					
	Completed development projects	Acquired patents and other right	Other fixtures, etc.	Other receivables	TOTAL	31/12 2019
Cost at 1/1 2020	144.855.312	310.385	6.013.633	221.643	151.400.973	130.221.650
Additions for the year	23.108.946	0	331.940	0	23.440.886	21.179.323
Disposals for the year	0	0	-44.378	0	-44.378	0
COST AT 31/12 2020	167.964.258	310.385	6.301.195	221.643	174.797.481	151.400.973
Amortisation and impairment at 1/1 2020	102.813.716	0	3.283.485	220.448	106.317.649	87.478.808
Amortisation and depreciation for the year	18.949.177	46.558	1.694.521	44.209	20.734.465	18.838.841
Amortisation and impairment, disposals for the year	0	0	-27.854	-123.980	-151.834	0
AMORTISATION AND IMPAIRMENT AT 31/12 2020	121.762.893	46.558	4.950.152	140.677	126.900.280	106.317.649
CARRYING AMOUNT AT 31/12 2020	46.201.365	263.827	1.351.043	80.966	47.897.201	45.083.324

The Company's development projects comprise development of new functionality in the Group's product portfolio (Ace, Model and Quote) as well as development of cloudbased solutions/products. The projects are progressing as planned, and the cost are capitalized on an ongoing basis. The individual projects are amortised over the shorter of the sellable life of product or 5 years. The amortisation begins at completion. Market research and customer interest show an increased interest for the key competences of the Group – development and research in software that enables implementation of CLM (Configuration Lifecycle Management) the core of which is the patented technology of Configit A/S.

8 List of fixed assets, amortisation and depreciation, fixed asset investments

	PARENT			
	Investments in group enterprises	Other receivables	TOTAL	31/12 2019
Cost at 1/1 2020	867.830	2.316.045	3.183.875	3.141.316
Additions for the year	0	8.958	8.958	42.559
COST AT 31/12 2020	867.830	2.325.003	3.192.833	3.183.875
Amortisations and impairment at 1/1 2020	33.774.655	0	33.774.655	38.148.975
Equity adjustment in group enterprises	-3.526.366	0	-3.526.366	97.275
Revaluation for the year (pro rata share profit/loss)	17.355.190	0	17.355.190	-4.556.510
Adjustment internal gains/loss	122.903	0	122.903	84.915
AMORTISATIONS AND IMPAIRMENT AT 31/12 2020	47.726.382	0	47.726.382	33.774.655
CARRYING AMOUNT AT 31/12 2020	-46.858.552	2.325.003	-44.533.549	-30.590.780

9 Investments in group enterprises

				Configit A/S's share	
	Ownership share	Profit or loss for the year	Equity	Share of the result of the year	Share of equity
Group enterprises:					
Configit Build A/S, DK	100%	-3.140.285	8.537.468	-3.140.285	8.537.468
Configit Inc., USA	100%	-8.447.935	-51.935.493	-8.447.935	-51.935.493
Configit GmbH, DE	100%	-4.402.533	-5.233.408	-4.402.533	-5.233.408
Configit Ltd., UK	100%	-1.364.437	6.565.930	-1.364.437	6.565.930
TOTAL		-17.355.190	-42.065.503	-17.355.190	-42.065.503
Internal gains/losses				-122.903	-4.793.049
TOTAL				-17.478.093	-46.858.552

Classifying in the balance sheet:

Investments in group enterprises	10.310.349
Deducted in receivables from group enterprises	-57.168.901
TOTAL	-46.858.552

10 Prepayments

	GROUP		PARENT	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
Insurance, subscription fees, etc.	0	218.749	0	218.749
Other prepayments	1.014.330	1.251.391	547.709	549.351
TOTAL	1.014.330	1.470.140	547.709	768.100

11 Share capital

The share capital consists of 39.809.731 A-certificates of DKK 1 and 1.995.052 B-certificates of DKK 1.

In February and October 2019, two capital increases of respectively mDKK 35 and mDKK 37 were made with a nominal DKK 1,000 per capital increase.

12 Long-term liabilities other than provisions

	GROUP		PARENT	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
Total debt:				
Other payables	6.088.417	2.446.573	5.848.701	2.446.573
TOTAL	6.088.417	2.446.573	5.848.701	2.446.573
Instalments next financial year:				
Other payables	0	0	0	0
TOTAL	0	0	0	0
Debt outstanding after 5 years:				
Other payables	6.088.417	2.446.573	5.848.701	2.446.573
TOTAL	6.088.417	2.446.573	5.848.701	2.446.573

13 Deferred income

	GROUP		PARENT	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
Subscriptions support and maintenance	16.849.965	8.025.878	0	1.083.844
TOTAL	16.849.965	8.025.878	0	1.083.844

14 Significant events occurring after end of reporting period

To fund the transition to subscription, further capital has been raised by Configit during 2021.

15 Contingent liabilities

Parent company:

The company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes.The total amount for payable corporate tax is shown in the annual report for Configit Holding A/S. Any subsequent corrections to the corporate tax and withtholding taxes can lead to a higher liability for the Company.

16 Assets pledged and security

Parent company:

Company pledge, nominal tDKK 20,000, in the company's intangible assets, other fixtures and debtors has been deposited as collateral with a credit institution.

17 Contractual obligations

The Group:

The Group has entered into operating lease of premises. The total lease commitment represents tDKK 16.344.

Parent company:

The company has entered into operating lease of premises. The total lease commitment represents tDKK 5,568.

18 Related parties

The Company's related parties comprise the following:	Basis of controlling influence:
Controlling influence:	Main shareholder:
Configit Holding A/S, Copenhagen	Configit Holding A/S, Copenhagen

No disclosures of transactions with related parties as Management believes that all transactions with related parties have been carried out on an arm length basis.

19 Group

The parent company Configit Holding A/S prepares consolidated financial statement.

	GROUP		PARENT	
20 Adjustments (cash flow)	2020	2019	2020	2019
Income from investments in group enterprises	0	0	17.478.093	-4.471.595
Other financial income	-699.401	-444.203	-2.829.237	-1.256.128
Other financial expenses	11.523.986	2.672.454	8.431.439	2.811.408
Tax on profit/loss for the year	-6.644.301	-10.016.767	-7.505.247	-10.217.660
TOTAL	4.180.284	-7.788.516	15.575.048	-13.133.975

21 Guarantees

Parent company:

In accordance with Section 479A of the Companies Act 2006, the subsidiary company Configit Limited (UK company number 07883893) is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of guarantee provided by Configit A/S.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Michael Moesgaard Andersen
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