Esoft Systems A/S
Højbyvej 50,
5260 Odense S
CVR no. 25 36 21 95

Annual report 2022

Penneo dokumentnøgle: YVU7V-7O4AD-D4QNW-6GQVX-ZBXGY-HP3PQ

Approved at the annual general meeting
on April 25, 2023

Chairman of the meeting

....

Agner Nørgaard Mark

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Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of Esoft Systems A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

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

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

Copenhagen, April 25th

Executive Board:

....

Ian Holmgaard

Board of directors:

....	....	....
Agner Nørgaard Mark Chairman	René Dines Hermand	Rune Lillie Gornitzka
	....	....
	Sten Dyrmose	Thomas Weikop

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Independent auditor’s report

To the shareholders of Esoft Systems A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Esoft Systems A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group’s and Parent Company’s operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and the parent Company financial statements” (herinafter collectively referred to as “the financial statements”) section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient 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.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 25 April 2023
EY Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Esoft Systems A/S
Højbyvej 50
5260 Odense S

CVR no.:	25 36 21 95
Established:	1 May 2000
Registered office:	Odense
Financial Year:	1 January - 31 December

www.esoft.com

Board of Directors

Agner Nørgaard Mark, Chairman
René Dines Hermand
Rune Lillie Gornitzka
Sten Dyrmose
Thomas Weikop

Executive Board

Ian Holmgaard

Auditor

EY Godkendt Revisionspartnerselskab
Cortex Park Vest 3
5230 Odense M

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Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Key figures					
Revenue	226,785	187,125	162,365	162,590	148,806
Normalized Revenue**	316,913	0	0	0	0
Gross profit/loss	117,235	110,015	96,514	92,032	75,778
EBITDA	6,881	15,449	10,252	8,076	4,233
Normalized EBITDA***	35,997	0	0	0	0
Profit/loss before interest & tax	-894	11,682	-11,526	-12,435	-8,526
Operating profit/loss	-892	11,626	2,537	4,111	405
Net financials	-446	-387	-1,570	-570	-379
Profit/loss for the year	-3,950	12,329	1,175	4,557	1,249
Fixed assets	109,085	11,348	9,953	12,575	11,965
Non-fixed assets	49,430	41,788	46,374	32,976	40,157
Total assets	158,515	53,136	56,327	45,551	52,122
Investments in property, plant and equipment	2,243	2,632	3,102	1,052	1,454
Equity	83,293	23,044	9,697	15,701	32,904
Cash flows from operating activities	20,531	-166	19,975	2,303	4,194
Cash flows from investing activities	-101,399	-4,930	-5,140	-4,666	-4,870
Cash flows from financing activities	89,520	-4,214	-3,896	-9,092	28
Total cash flows	8,652	-9,310	10,939	-11,455	-648
Financial ratios					
Operating margin	-0.4%	6.2%	-7.1%	-5.0%	-5.7%
Gross margin	51.7%	58.8%	59.4%	56.6%	50.9%
Equity ratio	52.5%	43.4%	17.2%	34.5%	63.1%
Return on equity	-7.4%	75.3%	9.3%	18.8%	3.9%
Average number of full-time employees*	**959**	**827**	**741**	**782**	**675**

*The average number of full-time employees for 2020 has been restated for comparison purposes.
** For 2022, proforma figures have been restated to reflect the realized and normalized revenue for all group entities for a full twelve month period. This includes Inviso AS Group (acquired in October 2022) and Pro-Plan Interaktiv A/S (acquired in July 2022)
*** For 2022, proforma figures have been restated to reflect the realized and normalized EBITDA for all group entities for a full twelve month period. This includes Inviso AS Group (acquired in October 2022) and Pro-Plan Interaktiv A/S (acquired in July 2022). M&A transaction cost and any non-recurring items have also been excluded from the calculation.

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

EBITDA: Earnings before interest, taxes, depreciation and amortization

Operating margin:
$$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$$

Gross margin:
$$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Equity ratio:
$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at years end}}$$

Return on equity:
$$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$$

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+14,4 million

pictures

+275 thousand

floorplans processed in 2022

Management's review

Esoft Systems A/S and its subsidiaries represent one of the leading players in real estate marketing. The principal activities of the Group are to market real estate, primarily for realtors and photographers. The Group also offers a full-service concept based on a tech platform that handles photography, film and text production, AI-based digital marketing, and other related business in most of the world.

Polaris acquired the majority stake in Esoft Systems A/S on May 31st , and since then, the Group has undertaken two acquisitions in the Nordics; Pro-Plan Interaktiv A/S per July 7th 2022, and Inviso AS (incl. Sikt Bolig AS; hereafter only referred to as Inviso AS) per September 30th 2022.

The Group is headquartered in Odense, and following the Polaris acquisition three distinct business units were carved out by the end of 2022; Retail, Wholesale and Production. Retail is located in Denmark, Sweden and Norway; Wholesale has been relocated from Dubai to Denmark in 2022, and Production is located in Hanoi, Vietnam.

Retail

The Retail business is a commercial entity that focuses on delivering end-to-end digital marketing solutions for real estate agents in Denmark, Sweden and Norway. This includes the entire value chain with regards to real estate marketing: Photography, film, floorplans and copywriting for real estate (listings); editing and refining of raw materials, seamless integration to real estate agents' case systems, activation of content via an automated data management platform (called "Shine"), and tailored branding and media activation in digital channels.

The acquisitions of Pro-Plan Interaktiv A/S and Inviso AS have strengthened the Nordic footprint significantly and lay the foundation for future growth. Both companies operate within the same vertical, with potential for complementary product offerings going forward.

Wholesale

The Wholesale business is a commercial entity and focuses on real estate photographer networks and independent photographers around the world (outside the Nordics). The Wholesale business sells products and solutions that offer efficiency, seamlessness, quality and consistency to customers. The business unit functions as "one-stop-shop" for Wholesale customers and can support them in scaling their businesses. In the Wholesale business unit, inspiration for new product development is taken from the Group's own Retail business; learning from the most digitally mature real estate markets in the world.

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In 2022, focus has been on creating several key partnerships with trendsetting stakeholders in the vertical. Also, focus has been on supporting Esoft's current Wholesale customers to remain competitive in their segment by product and solution development. Finally, the organisation has been set up for horizontal diversification as the Group wants to further leverage learnings from the Retail business among wholesale clients.

Production

The Production business unit is the backbone of the Group's Retail and Wholesale business and focuses on the refinement of content delivered by the Retail business and Wholesale customers. The Production unit delivers seamless, high quality, high consistency and on time content.

The Production services are delivered by both internal and external part-time employees. To secure robustness in Production, there has been a strong focus on developing a sustainable part-timer (so-called "vendors") model in 2022; enabling scalability and a more agile capacity arrangement. This set-up will be strengthened further in coming years via the implementation of an e-learning platform.

During 2022, the Group further cemented its focus on AI development and implementation regarding production efficiency and image enhancement. The AI development team has been moved even closer to Production and is now fully integrated into the Production business unit. By the end of 2022, the majority of images passing through the Group's Production unit was touched by our AI-fueled services and solutions, resulting in even higher quality, consistency and shortened delivery times, while also allowing our employees to focus on higher value-add tasks in Production.

Going forward, the main focus will be to further strengthen and refine the already available AI-solutions, but also extend the knowledge, learning and expertise to other areas in Production further fueling automation and efficiency.
Our ability to turn AI-solutions and services into the best possible service and solutions for our customer, as well as turn it into commercial value for the Group is one of the key focus areas in the years to come.

Financial Highlights

The Group's revenue amounted to DKKt 226,785, representing an increase of 21% over the Group's revenue of DKKt 187,125 in 2021.

EBITDA amounted to DKKt 6,881 (2021: DKK 15,449), corresponding to a decline of 55%.

During 2022, the Group acquired 100% of the shares of one Danish player, Pro-Plan Interaktiv A/S, and one Norwegian player, Inviso AS in the Retail business. The integration of the Danish player was executed in Q3 and Q4 2022. The integration of the Norwegian player has been planned in Q4 2022, with integration execution in 2023.

Normalized revenue end of 2022 is representing DKKt 316,913 an increase of 69% compared to the previous year. The Group incurred significant costs related to due diligence and acquisition costs of Pro-Plan Interaktiv A/S and Inviso AS. Normalized for costs related to acquisitions and other special items Normalized EBITDA was DKKt 35,997 equal to an increase of 133% compared to the previous year.

Shareholders' equity amounted to DKKt 83,293 (31 December 2021: DKKt 23,044), and consolidated assets to DKKt 158,515 (31 December 2021: DKKt 53,136).

Market outlook

2022 turned out to be a turbulent year for real estate markets around the world. Driven by the war in Ukraine, high energy prices, high inflation and the resulting rise in interest rates, the global housing markets slowed down significantly from August 2022. Coming out of an extraordinary COVID-19 period, these macro-economic developments affected consumer confidence, and thus also our customers and customers' customers in both the Retail and Wholesale business.

While Q3 and Q4 2022 have been challenging with significantly fewer listings in some of the key markets compared to previous years, economists expect stabilization in real estate markets around the world in 2023. Coming from a low activity level, the need to sell and buy real estate never entirely disappears, and while many sellers and buyers may have been hesitant in the last few months of 2023, the mindset shift from a sellers' to a buyers' market with generally lower prices has started to settle in consumers' minds. Despite these slightly positive expectations towards the market development, the Group is still operating under uncertain conditions.

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In 2023, the focus will be on hosting the synergies from the acquired targets in the Retail business and strengthening the Nordic organization; while in the Wholesale business, focus will be on winning new clients and securing recurring business. In the Production business, focus will be on harvesting efficiency gains from our AI-fueled services and solutions, as well as further building out the vendor set-up.

Despite the potentially challenging market the Group expects a double-digit growth in revenue in 2023.

As part of the strategy, the Group is constantly in dialogue with potential acquisition candidates, which will also be a focus area in 2023.

Compliance

It is a priority for the Group to offer customers the highest level of security and contingency as well as proper and ethical usage of data protecting both customers, vendors and the Group itself. Since the acquisition of the Company in May'22, organizational changes have taken place to ensure compliance, thus moving the Wholesale business to HQ location in Denmark.
To further strengthen the Group's focus on quality, security and compliance, the Group has started the process for certifications to be obtained in 2023 of ISO 27001 and ISO 9000.

Financial resources

At year-end 2022, cash and non-utilized credit facilities amounted to approx. DKK 41,4 million.

Number of employees

At year-end 2022, the Group had 948 employees. We entered the year with 855 employees in the Group. The 2022 average for the Group ended at 959 employees.

Risks

Market Risks
As stated under the Market Outlook section above, the Group is vulnerable in uncertain market conditions and low activity on real estate markets around the world. Should interest rates increase to even higher levels and consumer confidence further plummet in its core markets, resulting in significantly fewer real estate listing than expected, the financial results of the Group are potentially affected.

Currency Risks
Foreign activities mean that profit, cash flow and equity are affected by the exchange rate development between DKK, SEK, NOK, USD, VND and EUR. Exchange rate fluctuations related to the translation of the result and inter Group balance of foreign subsidiaries at the balance sheet date constitute a risk. No hedging is performed to meet fluctuations unless the risk is considered substantial.

Interest Rate Risks
As the net interest-bearing debt has not represented a substantial amount historically, moderate fluctuations in the interest rate level will not have a significant impact on the profit. For the year 2022, there was significant development in short term interest rates around the world. Currently no hedging is performed, however, Management will continuously assess the risk and to the extent of the assessed risk perform relevant hedging.

Credit Risks
The Group's credit risks related to trade receivables are included in the balance sheet. Management has at year-end assessed the risks related to trade receivables and has made relevant provision for losses.

Employee Risks
Having the right competencies with adequate experience is vital. Therefore, it is important that the Group continues to attract, retain and develop skilled employees. Failure to do so has the potential to negatively impact the expected development of the Group.

Supplier Risks
The Group is not dependent on individual suppliers, and the supplier risk is assessed as limited.

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IT Risks

The Group depends on Information Technology to manage critical business processes, ranging from sales, production, to administrative and financial functions. The Group uses IT systems for internal purposes and externally for its customers. Extensive disruption of IT systems could have a negative effect on the Group.

Matters affecting the Financial Statement

There have been no unusual circumstances which should be referred to in relation to the accounts.

R&D Activities

Research and development activities primarily include own software development with focus on AI and state-of-the-art infrastructure. In the financial year, software development corresponding to DKK 4,7 million is capitalized. The Group continuously invests in the development of its central IT infrastructure and AI, which is a key lever in the continued successful development of the Group

Subsequent events

No events have occurred which affect the financial statement for 2022.

Our Commitment

The Group's commitment to corporate social responsibility is founded on respect for internationally recognized principles for sustainable development, human rights (including labor rights), the environment, business ethics and the UN Global Compact principles as expressed in the UNGPs/OECD Guidelines. This commitment is integrated into the Group's strategy and business operations.

In Q4 2022, the Group performed an impact assessment (risk assessment) and updated its ESG Strategy accordingly. This included the formulation of a Sustainability Statement, as well as selection of ESG and sustainability KPIs relevant for the Group, both of which have been approved by the Board of Directors. Being in the early stages with regards to the ESG strategy, there is not yet a baseline available for the chosen KPIs.

For the 2023 financial year, there will be a separate ESG report.

Sustainability Statement

In Esoft, we are a passionate, action-oriented team that purposefully help real estate agents to market and sell properties. With over 20 years of experience delivering media solutions and effective marketing tools to brokers around the world, we know what we are talking about. We are working diligently to set tomorrow's global standards for how we conduct our business including IT security, system reliability and customer service. We live our values of quality, credibility, openness, innovation, care and passion every day, in our engagement with our customers, suppliers, and, most importantly, with each other.

Our presence in the Nordics and Vietnam influence how we perceive our responsibility towards our employees and communities.

For Esoft, sustainability means:

Ensuring that we have a diverse and skilled workforce: Our strong focus on always delivering high and consistent quality means that we prioritize development of the right competences. We have a strong focus on training and upskilling of our employees and ensuring that we have a diverse organization in terms of gender and people with determination.

Ensuring a good work environment for our employees: A good work environment and strong sense of community is an important value proposition across our organization. Across the entire organisation, we build on our Nordic values and tradition for employee benefits (such as private health insurance and subsidised canteen), and thereby provide above standard work environment for our employees outside the Nordics. The main risk that Esoft faces when trying to secure a healthy and safe working environment while ensuring our employee´s well-being is their physical and mental well-being.

To strengthen our work environment, especially in Vietnam, we have had a number of workshops focusing on how to improve this. In 2023 we will continue doing workshops focusing on work environment and employee conditions.

Reducing the environmental impact of our operations: The environmental footprint of our operations is mainly related to emissions from our car fleet when driving out to customers, our IT hardware setup and our business travel. In 2022 the Group established our CO2 baseline and are continuously working on reducing the footprint from our operations. Our overall ambition is to run operations as environmentally friendly as possible.

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In 2023, we are going to invest money in electrical vehicles and energy efficient technology.

Ensuring that we have good governance in place: We have a strong focus on running our business responsibly and ensuring that we have good governance in place and respect human rights. The main risk in terms of respecting human rights is first and foremost data privacy and security due to our business handling large amounts of data on behalf of our customers. As a large part of our operation is located in Vietnam, which generally ranks low on Transparency International's Corruption Perception Index, this has been of specific importance throughout Esoft's history.

In 2022, the Group held a number of sessions regarding data privacy and security to strengthen the focus on human rights. No human rights violations have been registered in 2022. For 2023 the Group will continue to train regarding data privacy and other human rights aspects.

In 2022, we have informed all our current and in-scope business partners about our anti-corruption policy. In 2022, there has not been identified any cases of corruption or bribery. In the future, we will communicate our guidelines and expectations regarding anticorruption to employees and business relations through of our code of conducts.

Support local community in Vietnam: Over the past 15 years we have built a sustainable model around training and employing disadvantaged people in the community here under people with determination. We do this in collaboration with local NGOs and educational institutions in our community. We are satisfied with our efforts regarding our work with social and employee condition in 2022.

New Group CEO

In June 2022, Ian Holmgaard has been appointed as the new Group CEO following the acquisition by Polaris in May 2022. He has been part of the organization since 2020, revitalized the Danish retail business and has played a major part in the development of the 2025 Group strategy.

Prior to joining the Group, Ian Holmgaard has been working within B2B Sales & Services in several C-level positions.

Having led the sale to Polaris, Ian Holmgaard has now taken the first important steps in creating the future organization and carved out Retail, Wholesale and Production as separate business units.

With Ian on board as the new Group CEO, the Group has strengthened its Nordic and global capacity and competences.

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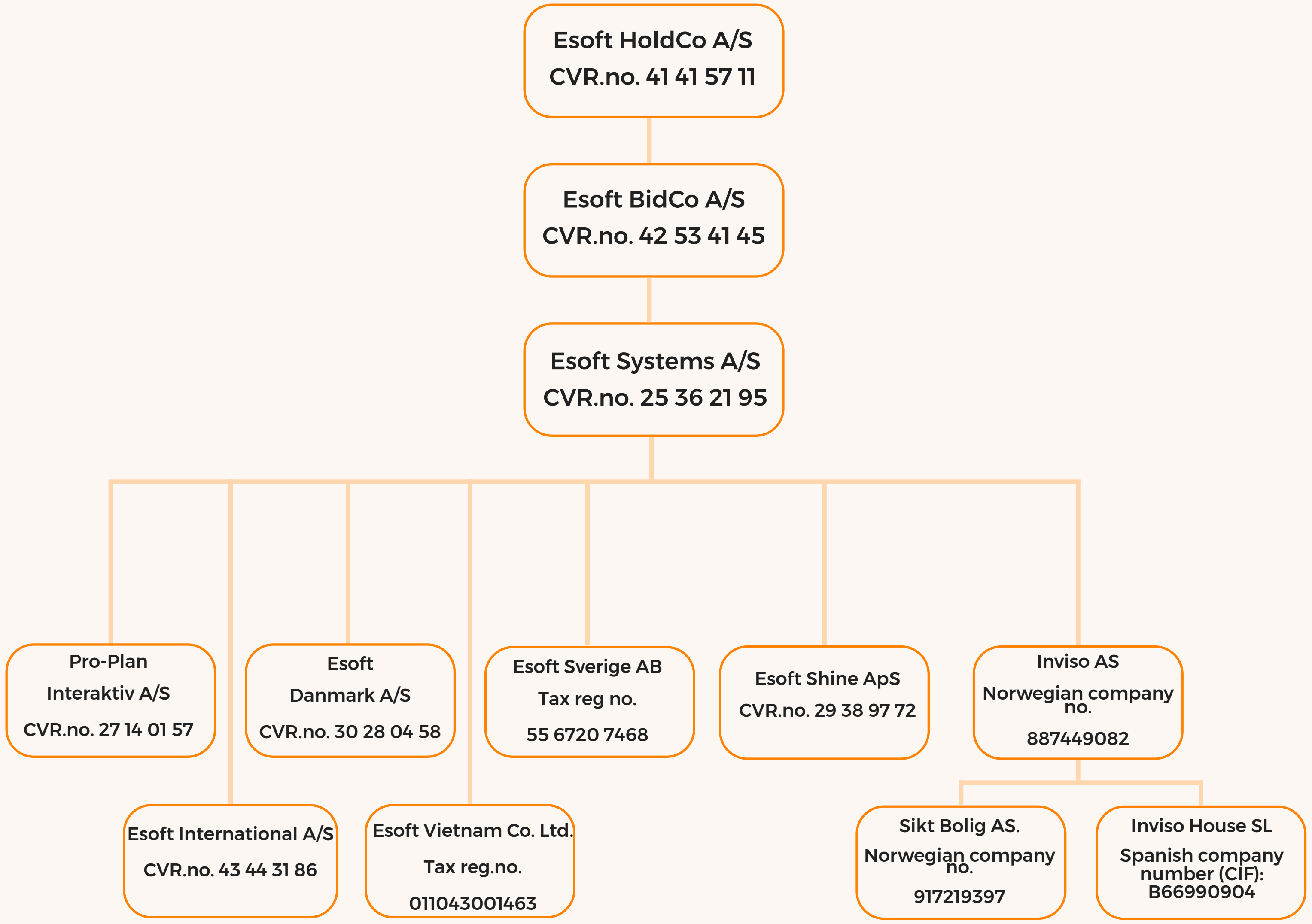
Esoft legal structure, per 31.12.2022

At the end of 2022, the Group consists of the following companies.



Polaris Private Equity V K/S, a Nordic private equity fund, is the ultimate majority shareholder of Esoft Systems A/S (the Group) with approx. 83.5% ownership. The remaining shares are directly or indirectly owned by Management and Board members.

The following additional ultimate shareholders own more than 5% of the share capital

- Hermand Holding ApS, CVR no. 26 39 37 44

The Group's equity consists of one class of shares. Management regularly assesses whether the group has a capital structure that corresponds to the Company's need for the financing of working capital. Together with the Group's owners and Board of Directors, the Executive Board assesses the combination of equity and loans from shareholders and external financing on a recurring basis.

Management finds the current capital structure to be appropriate and to provide the necessary financial flexibility in the Group to support the strategy.
Polaris is a member of Active Owners Denmark and is thus obliged to ensure that its portfolio companies operate in compliance with the Active Owners Denmark guidelines. Please see https://aktiveejere.dk/. As a private equity-owned Group, the Group's practices and policies are in accordance with these recommendations.

Governance

The Board of Directors and the Executive Board work constantly to ensure that appropriate and sufficient control systems are in place, managed by a robust management team structure. The Board of Directors and the Executive Board have a number of duties that are defined by the Companies Act, the Danish Financial Statements Act and the Articles of Association and Rules of Procedure for the Board of Directors, among other regulations and policies. On this basis, the necessary internal procedures are continually being developed, refined, and maintained to ensure active, reliable and profitable management of the Group.

The Board of Directors ensures that the Executive Board complies with the approved objectives, strategies, business procedures and rules of procedure for the Executive Board. The information presented to the Board of Directors is provided systematically before and during meetings, as well as in written and verbal reports.

The topics of these reports include market development and the Group's development and profitability. The Board of Directors and the Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

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The Board of Directors of the Group meet at least six times a year. Furthermore, information about the Group, results and financial position is shared with the Board of Directors on a regular basis (monthly). If relevant, extraordinary meetings are held.

Audit and risk committee

The board and management have discussed the need for an audit and risk committee and have assessed that it is not relevant at this time given the size of the company.

Board of Directors and Executive Board

The Board of Directors is comprised of the following members:

Chairman	Agner Nørgaard Mark	(Appointed in May '22, appointed by and representing Polaris Private Equity V K/S)
Member	René Dines Hermand	(Appointed in May '22, appointed by and representing Hermand Holding ApS)
Member	Rune Lillie Gornitzka	(Appointed in May '22, appointed by and representing Polaris Private Equity V K/S)
Member	Sten Dyremose	(Appointed in Oct '22, appointed by and representing Polaris Private Equity V K/S)
Member	Thomas Weikop	(Appointed in May '22, appointed by and representing Polaris Private Equity V K/S)

The Executive Board is comprised of the following member:

CEO	Ian Holmgaard	(Appointed in June 2022)

The Board of Directors and the Executive Board are the ultimate owners of approx. 96.5% of the shares.

Remuneration to Management and the Board of Directors

To attract and retain the Group's management competencies, the remuneration of Management, senior employees and the Board of Directors is based on tasks, value creation and conditions in comparable companies. An incentive program has been implemented in the form of bonus schemes and share and warrant-based incentive programs for key employees.

Reporting on gender distribution in management

The underrepresented gender, Board of Directors

In 2022 the gender split on the Board of Directors was 0 females and 5 males. The Board of Directors has the goal of having at least 15% of the underrepresented gender by 2025. This target was approved at Board level in February 2023.

The underrepresented gender, Management

The Group's overall policy is to employ and promote the most qualified people, regardless of gender, and to give equal access to leadership positions to all qualified candidates. To facilitate this, at least one female applicant must be invited to all job interviews, assuming qualified female applicants are available. The representation of women in leadership positions and with personnel management responsibility was 39% as of 1. January 2022. This rate has decreased to 33% by the end of 2022. By 2025, the Group's goal is to increase this to 40%.

Other positions of the members of the Board of Directors and the Executive Board:

Agner Nørgaard Mark

Maconi Consult A/S	CEO
Maconi Invest A/S	CEO
Esoft Systems A/S & related Esoft Group Companies	Chairman
Schødt A/S	Board member
Cepheo Holding A/S & related Group Companies	Board member

René Dines Hermand

Hermand Holding A/S	Owner
Esoft Systems A/S & related Esoft Group Companies	Board member

Rune Lilie Gornitzka

Hans Jensen Lubricators A/S	Board member
G & O BidCo A/S; and related G & O companies	Board member
Esoft Systems A/S, and related Esoft Group Companies	Board member
North Risk A/S, and related North Risk Companies	Board member
Stella Invest ApS	CEO

Sten Dyrmose

Esoft Systems A/S & related Esoft Group Companies	Board member

Thomas Weikop

Cogo Aps	Chairman
Go Dogo ApS	Chairman
Esoft Systems A/S, and related Esoft Group Companies	Board member
Vertigo.ai ApS	Chairman
North Risk A/S, and related North Risk Companies	Board member
Weikop Project	Director

Ian Holmgaard

Esoft Systems A/S, and related Esoft Group Companies	CEO & Board member
Axelerator Holding ApS	CEO

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Penneo dokumentnøgle: YVU7V-7O4AD-D4QNW-6GQVX-ZBXGY-HP3PQ

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent	
Note	**DKK'000**	**2022**	**2021**	**2022**	**2021**
	Revenue	226,785	187,125	20,112	21,840
	Cost of sales	-63,788	-46,092	0	0
	Other operating income	0	56	0	443
	Other external expenses	-45,762	-31,074	-19,201	-13,079
	Gross profit	117,235	110,015	911	8,761
3	Staff costs	-110,354	-94,566	-7,436	-15,018
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-7,773	-3,767	-3,158	-1,936
	Other operating expenses	0	0	0	0
	Operating profit/loss	-892	11,682	-9,683	-8.193
	Income from investments in subsidiaries	0	0	4,674	16,745
4	Financial income	4,811	1,499	3,392	1,078
5	Financial expenses	5,257	-1,886	-2,735	-834
	Profit before tax	-1,338	11,295	-4,352	8,796
6	Tax for the year	-2,612	1,034	402	3,533
	Profit/loss for the year	**-3,950**	**12,329**	**-3,950**	**12,329**

Penneo dokumentnøgle: YVU7V-7O4AD-D4QNW-6GQVX-ZBXGY-HP3PQ

Balance sheet

Note	DKK'000	Group 2022	Group 2021	Parent 2022	Parent 2021
7	**ASSETS**				
	Non-current assets				
	Intangible assets				
	Completed development projects	8,442	2,379	5,315	2,068
	Customer relationsships	48,309	0	44,939	0
	Goodwill	44,294	0	41,138	0
	Development projects in progress	0	1,936	0	
		101,045	4,315	91,392	4,004
8	**Property, plant and equipment**				
	Fixtures and fittings, tools and equipment	5,626	4,3601	250	442
	Leasehold improvements	278	118	125	116
		5,904	4,478	375	558
9	**Investments**				
	Investments in Group enterprises	0	0	26,569	23,361
	Other receivables	1,115	1,443	0	0
	Deposit, investments	1,021	1,112	231	221
		2,136	2,555	26,800	23,582
	Total fixed assets	109,085	11,348	118,567	28,144
	Non-fixed assets				
	Receivables				
	Trade receivables	17,611	15,326	0	0
	Receivables from group entreprises	0	1,477	20,715	5,374
11	Deferred tax assets	3,918	6,584	0	6,170
	Joint taxation contributions receivable	0	0	0	1,105
	Other receivables	6,397	4,992	494	1,209
	Prepayments	1,455	2,011	854	1,051
		29,381	30,390	22,063	14,909
	Cash	20,049	11,397	847	859
	Total non-fixed assets	49,430	41,787	22,910	15,768
	TOTAL ASSETS	**158,515**	**53,135**	**141,477**	**43,912**

Balance sheet

Note	DKK'000	Group 2022	Group 2021	Parent 2022	Parent 2021
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	3,507	3,507	3,507	3,507
	Reserve for net revaluation under the equity method	0	0	4,963	397
	Reserve for development costs	0	0	4,146	3,464
	Translation reserve	76	226	0	0
	Retained earnings	79,710	19,311	70,677	15,676
	Total equity	83,293	23,044	83,293	23,044
11	**Provisions**				
	Deferred tax	0	0	3,510	0
	Total provisions	0	0	3,510	0
	Current liabilities				
	Credit institutions	13,687	11,379	13,687	11,379
	Trade payables	4,839	3,021	1,054	581
	Payables to group enterprises	21,386	0	27,083	7,532
	Corporation Tax	451	589	0	0
	Joint taxation contributions payable	1,009	89	0	0
12	Other payables	32,355	13,894	12,850	1,264
	Prepayments	1,495	1,120	0	112
		75,222	30,092	54,674	20,868
	Total liabilities	75,222	30,092	54,674	20,868
	TOTAL EQUITY AND LIABILITIES	**158,515**	**53,136**	**141,477**	**43,912**

1 Accounting policies
2 Special items
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties
16 Appropriation of profit/loss

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Statement of changes in equity

Note	DKK'000	Group			
		Share capital	Reserve for currency exchange	Retained earnings	Total
	Equity at 1 January 2021	3,507	-792	6,982	9,697
	Transfer through appropriation of profit	0	0	12,329	12,329
	Adjustment of investments through foreign exchange adjustments	0	1,018	0	1,018
	Equity at 1 January 2022	3,507	226	19,311	23,044
	Transfer through appropriation of loss	0	0	-3,950	-3,950
	Adjustment of investments through foreign	0	-150	0	-150
	Sale of treasury shares	0	0	17,491	17,491
	Contribution from group	0	0	46,858	46,858
	Equity at 31 December 2022	3,507	76	79,710	83,293

Penneo dokumentnøgle: YVU7V-7O4AD-D4QNW-6GQVX-ZBXGY-HP3PQ

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
		Parent				
	Equity at 1 January 2021	3,507	0	3,119	3,071	9,697
17	Transferred; see distribution of profit/loss	0	16,745	345	-4,761	12,329
	Adjustment of investments through forreign exchange adjustments	0	1,018	0	0	1,018
	Distributed dividend from group enterprises	0	-17,366	0	17,366	0
	Equity at 1 January 2022	3,507	397	3,464	15,676	23,044
17	Transferred; see distribution of profit/loss	0	4,716	682	-9,348	-3,950
	Adjustment of investments through forreign exchange adjustments	0	-150	0	0	-150
	Sale of treasury shares	0	0	0	17,491	17,491
	Contribution from group	0	0	0	46,858	46,858
	Equity at 31 December 2021	3,507	4,963	4,146	70,677	83,293

The Company applies the principle of simultaneity in relation to dividends from subsidiaries, which means that net revaluation reserve according to the equity method is reduced with the proposed dividend for the year in subsidiaries.

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Cash flow statement

Note	DKK'000	Group 2022	Group 2021
18	Profit/lost for the year	-3,950	12,328
	Other adjustments of non-cash operating items	10,459	3,520
19	Cash generated from operations before changes in working capital	6,509	15,848
	Changes in working capital	14,611	15,677
	Cash generated from operations	21,120	171
	Corporation tax paid	-589	-337
	Cash flows from operating activities	**20,531**	**-166**
	Acquisition of intangible assets	-5,395	-2,054
	Acquisition of tangible assets	-2,243	-2,632
	Disposals of property, plant and equipment	0	56
20	Acquisition of companies and activities	-94,180	0
	Other cash flows from investing activities	419	-300
	Cash flows to investing activities	**-101,399**	**-4,930**
	Changes in debt to credit institutions	2,308	38
	Changes in debt to Lønmodtagernes Feriemidler	0	-3,777
	Changes in receivables, group enterprises	22,863	-475
	Sale of treasury shares	17,491	0
	Group contribution	46,858	0
	Cash flows from financing activities	89,520	-4,214
	Net cash flow	8,652	-9,310
	Cash and cash equivalents at 1 January	11,397	20,707
21	**Cash and cash equivalents at 31 December**	20,049	11,397

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

Notes to the financial statements

1 Accounting policies

The annual report of Esoft Systems A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

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

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

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1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries, which are considered part of the aggregate investment in the subsidiary, are taken directly to equity, and foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

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

Income from the sale is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment 3-5 years Leasehold improvements 5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

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

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually # years and cannot exceed # years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding # years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

All leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

1 Accounting policies (continued)

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

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Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

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

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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

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

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

2 Events after the balance sheet

No events materially affecting the Group's financial position have occurred subsequent to the financial year-end.

3 Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue-generating operating activities, e.g. expenses incurred for extensive structuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Group's operating activities.

As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

	Group		Parent	
DKK'000	**2022**	**2021**	**2022**	**2021**
Expenses				
Transaction cost	6,466	0	0	0
	6,466	0	0	0
Special items are recognised in the below line items				
Other external expenses	6,466	0	0	0
Net profit/loss before tax from special items	**6,466**	**0**	**0**	**0**

Group

During 2022 Esoft Systems A/S has incurred transaction costs totalling DKK 6,466 thousand during the acquisition of Inviso AS and Pro-Plan Interaktiv A/S. During

3 Staff costs

	Group		Parent	
DKK'000	**2022**	**2021**	**2022**	**2021**
Wages and salaries	97,613	86,423	9,348	16,441
Pensions	1,653	1,127	180	239
Other social security costs	8,078	6,965	80	156
Other staff costs	6,450	1,987	242	118
Staff costs transferred to development costs	-3,440	-1,936	-2,414	-1,936
	110,354	**94,566**	**7,436**	**15,018**
Average number of employees	959	827	11	19

Group

Total remuneration to Management in the Company: DKK 2,423 thousand (2021: DKK 5,345 thousand)

Remuneration to the group's Board of directors is paid by the parent Company

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DKK'000	Group 2022	Group 2021	Parent 2022	Parent 2021

4 Financial income

Interest income from subsidiaries	0	0	111	18
Other interest income	4,811	1,499	3,281	1,060
	4,811	1,499	3,392	1,078

5 Financial expenses

Interest expenses to subsidiaries	0	0	426	303
Other interest expenses	5,257	1,886	2,309	531
	5,257	1,886	2,735	834

6 Tax for the year

Estimated tax charge for the year	2,598	2,597	0	o
Deferred tax adjustments for the year	539	-2,525	123	-2,428
Refund in joint taxation	-525	-1,105	-525	-1,105
	2,612	-1,033	-402	-3,533

7 Intangible assets

Group					
DKK'000	Completed development projects	Customer Relationsships	Goodwill	Development projects in progress	Total
Cost at 1 January 2022	24,677	0	0	1,936	26,613
Foreign exchange adjustments	-238	-41	-39	0	-318
Business combinations	27,646	0	0	0	27,646
Additions	2,886	49,298	44,985	2,509	-99,678
Transferred	4,445	0	0	-4,445	0
Cost at 31 December 2022	**59,416**	**49,257**	**44,946**	**0**	**153,619**
Amortisation and impairment losses at 1 Jan 2022	22,298	0	0	0	22,298
Foreign exchange adjustments relating to foreign	-262	-1	0	0	-263
Business combinations	25,478	0	0	0	25,478
Amortisation	3,460	949	652	0	5,061
Impairment losses and amortisation at 31 Decem-	**50,974**	**948**	**652**	**0**	**52,574**
Carrying amount at 31 December 2022	**8,442**	**48,309**	**44,294**	**1,936**	**101,045**
Amortised over	**5 years**	**15 years**	**20 years**		

7 Intangible assets

Parent					
DKK'000	Completed development projects	Customer relationships	Goodwill	Development projects in progress	Total
Cost at 1 January 2022	20,186	0	0	1,936	22,122
Additions	-208	45,831	41,750	2,509	90,298
Transferred	4,445	0	0	-4,445	0
Cost at 31 December 2022	24,839	45,831	41,750	0	112,420
Amortisation and impairment losses at 1 January 2022	18,118	0	0	0	18,118
Amortisation for the year	1,406	892	612	0	2,910
Amortisation and impairment losses at 31 December	19,524	892	612	0	21,028
Carrying amount at 31 December 2022	5,315	44,939	41,138	0	91,392
Amortised over	5 years	15 years	20 years	-	

Completed Development projects

Development projects is primarily related to the development of artificial intelligence solutions. Management has assessed that there are substantial savings potentials associated with the AI solutions and that the projects proceed as planned.

The relating expenses primarily consist of internal expenses in the form of payroll costs.

The depreciation period on completed development projects is usually 5 years and does not exceed 20 years. Depreciation on completed projects is started, when the project is considered completed and revenue or savings can be recognised reliably.

Management has assessed that there are no indications of impairment in relation to the carrying amount.

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8 Property, plant and equipment

DKK'000	Group Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	11,816	140	11,956
Foreign exchange adjustments relating to foreign entities	290	-4	286
Additions on merger/corporate acquisition	14,761	174	14,935
Additions	2,178	65	2,243
Cost at 31 December 2022	**29,045**	**375**	**29,420**
Depreciation and impairment losses at 1 January 2021	7,456	22	7,478
Foreign exchange adjustments relating to foreign entities	-28	0	-28
Accumulated impairment losses and depreciation of additions	13,354	0	13,354
Depreciation	2,637	75	2,712
Depreciation and impairment losses at 31 December 2021	**23,419**	**97**	**23,516**
Carrying amount at 31 December 2022	**5,626**	**278**	**5,904**

DKK'000	Parent Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	710	138	848
Additions	0	65	65
Cost at 31 December 2022	710	203	913
Impairment losses and depreciation at 1 January 2022	268	22	290
Depreciation	192	56	248
Impairment losses and depreciation at 31 December 2022	460	78	538
Carrying amount at 31 December 2022	**250**	**125**	**375**

9 Investment

DKK'000	Group Other receivables	Deposits, investments	Total
Cost at 1 January 2022	1,443	1,112	2,555
Foreign exchange adjustments	97	86	183
Additions	0	45	45
Disposals	-425	-222	-647
Cost at 31 December 2022	1,115	1,021	2,136
Carrying amount at 31 December 2022	**1,115**	**1,021**	**2,136**

Name and registered office	Domicile	Interest
Subsidiaries		
Esoft Danmark A/S	Denmark	100 %
Esoft Shine ApS	Denmark	100 %
Esoft International A/S	Denmark	100 %
Pro-Plan Interaktiv A/S	Denmark	100 %
Esoft Sverige AB	Sweden	100 %
Inviso AS	Norway	100 %
SIKT AS	Norway	100 %
Esoft Vietnam Co., Ltd.	Vietnam	100 %

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9 Investment (continued)

DKK'000	Parent		
	Investment in Group enterprises	Deposits, investments	Total
Cost at 1 January 2022	6,780	221	7,001
Additions	17,164	10	17,174
Cost at 31 December 2022	23,944	231	24,175
Value adjustments at 1 January 2022	16,581	0	16,581
Foreign exchange adjustments	-211	0	-211
Dividend received	-17,730	0	-17,730
Profit/loss for the year	4,674	0	4,674
Value adjustments for the year	-689	0	-689
Value adjustments at 31 December 2022	**2,625**	**0**	**2,625**
Carrying amount at 31 December 2022	**26,569**	**231**	**26,800**

10 Share capital

The share capital consists of 3,506,688 shares of a nominal value of 1 DKK each. No shares carry any special rights.

The parent's share capital has remained DKK 3,507 thousand over the past 5 years.

11 Deferred tax

	Group		Parent	
DKK'000	**2022**	**2021**	**2022**	**2021**
Deferred tax assets at 1 January	-6,584	-4,059	-6,170	3,742
Changes during the year	2,666	-2,525	10,205	-2,428
Other deferred tax	0	0	-525	0
Deferred tax assets at 31 December	**-3,918**	**-6,584**	**3,510**	**-6,170**
Deferred tax relates to:				
Intangible assets	9,609	540	10,800	540
Property, plant and equipment	-290	-477	-117	-63
Tax loss	**13,237**	**-6,647**	**-7,173**	**-6,647**
	-3,918	6,584	3,510	-6,170
Analysis of the deferred tax				
Deferred tax assets	-3,918	-6,584	0	-6,170
Deferred tax liabililties	0	0	3510	0
	-3,918	**-6,584**	**3,510**	**-6,170**

The Group has recognized net tax assets of a total of DKK 3,918 thousand at 31. december 2022. The taxassets consist of recognized tax loss carryforwards of DKK 13,237 thousand and time differences of DKK-9,319 thousand. The total tax loss carryforwards can be attributed to the Danish and Norwegian group entities.

Management considers it likely that there will be future taxable income against which tax deductions can be offset on the basis of expected future results.

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13 Other payables

Other payables, recognized under liabilities, primarily comprise items related to payroll and payable VAT.

14 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

The Danish entities of Esoft Systems A/S Group is jointly taxed with the ultimate Parent Company P- Esoft 2022 A/S (P-Esoft 2022 A/S acts as the administration company in the joint taxation group). The Danish entities of Esoft Systems A/S Group has unlimited joint and several liability, together with P-Esoft 2022 A/S, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group.

The Danish entities of Esoft Systems A/S Group are jointly and severally liable for joint VAT registration.

Other financial obligations

Group

The Group has entered into operating leases with a total remaining nominal lease commitment of DKK 900 thousand as of 31 December 2022.

The group has entered rent agreements which can be terminated within 3-61 months and the total obligation as of 31 December 2022 amounts to DKK 7,213 thousand.

Collateral

Group

As security for the Company's debt to the Danish bank Nykredit A/S a receivables charge of DKK 500 thousand has been issued.

The loan agreement with Nykredit A/S is furthermore based on a negative pledge that prohibits the Group from creating a security interest on a number of the Danish entities' assets (goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and trade receivables).

The Danish entities of Esoft Systems A/S are jointly and severally liable for the Group's net debt to Nykredit A/S which amounts to DKK 130.900 thousand including debt in parent company Esoft Bidco A/S.

Parent company

As security for the Company's debt to the Danish bank Nykredit A/S a receivables charge of DKK 500 thousand has been issued.

The loan agreement with Nykredit A/S is furthermore based on a negative pledge that prohibits the Group from creating a security interest on a number of the Danish entities' assets (goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and trade receivables).

Esoft Systems A/S are jointly with group entities liable for the Group's net debt to Nykredit A/S which amounts to DKK 130.900 thousand including debt in parent company Esoft Bidco A/S.

Penneo dokumentnøgle: YVU7V-7O4AD-D4ONW-6GQVX-ZBXGY-HP3PQ

15 Related parties

Esoft Systems A/S' related parties comprise the following:

Parties exercising control

Esoft BidCo A/S, Højbyvej 50, 5260 Odense S.

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Esoft HoldCo A/S	Højbyvej 50, 5260 Odense S	www.cvr.dk
P-Soft 2022 A/S	Højbyvej 50, 5260 Odense S	www.cvr.dk

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 3.

	Parent	
DKK'000	**2022**	**2021**
16 Distribution of profit/loss		
Proposed distribution of profit/loss		
Net revaluation reserve according to the equity method	4,716	16,745
Transferred to reserve for development costs	682	345
Retained earnings/accumulated loss	-9,348	-4,761
	-3,950	12,329

	Group	
DKK'000	2022	2021
17 Adjustments		
Amortisation/depreciation and impairment losses	7,773	3,766
Gain/loss on the sale of non-current assets	0	-56
Tax on profit/loss for the year	2,616	-1,034
Other adjustments of non-cash operating items	70	873
	10,459	3,520
18 Changes in working capital		
Changes in receivables	12,657	-2,199
Changes in trade and other payables	1,954	-13,478
	14,611	-15,677
19 Acquisition of enterprises and activities		
Property, plant and equipment	1,581	0
Development projects	2,168	0
Receivables	15,791	0
Cash	19,407	0
Deferred tax	-2,827	0
Trade payables	-11,923	0
Other payables	-17,598	0
	6,599	
Goodwill and customer relations	87,581	
Cost of acquisition paid in cash	94,180	0
20 Cash and cash equivalents at year-end		
Cash according to the balance sheet	**20,049**	**11,397**
	20,049	**11,397**

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Ian Holmgaard
Executive Board
On behalf of: The Company
Serial number: 1203f0d7-6bb9-403d-9b36-ba72bf57cee8
IP: 80.208.xxx.xxx
2023-05-03 06:19:10 UTC

Agner Nørgaard Mark
Chair of the meeting
On behalf of: The Company
Serial number: PID:9208-2002-2-379221005349
IP: 80.167.xxx.xxx
2023-05-03 07:03:29 UTC

Agner Nørgaard Mark
Chairman
On behalf of: The Company
Serial number: PID:9208-2002-2-379221005349
IP: 80.167.xxx.xxx
2023-05-03 07:03:29 UTC

Rune Lillie Gornitzka
Board of Directors
On behalf of: The Company
Serial number: cfb335cc-610a-4b1f-9285-8a8d4ce3179d
IP: 188.120.xxx.xxx
2023-05-03 07:22:16 UTC

Thomas Weikop
Board of Directors
On behalf of: The Company
Serial number: 9c2383fc-1299-41a7-8640-67263b0fe9e7
IP: 185.107.xxx.xxx
2023-05-03 07:48:30 UTC

Sten Dyrmose
Board of Directors
On behalf of: The Company
Serial number: 0a426473-8962-44ca-99c8-35c0c2cdf4cd
IP: 152.115.xxx.xxx
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René Dines Hermand
Board of Directors
On behalf of: The Company
Serial number: f17c52c6-4002-45e1-b7d1-92d1a0f73c86
IP: 136.179.xxx.xxx
2023-05-03 14:47:36 UTC

Søren Smedegaard Hvid
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:1256831000710
IP: 2.104.xxx.xxx
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