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

# Annual report 2021

Approved at the company's annual general meeting
on 13 April 2022

Chairman of the meeting

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Hans Høffner

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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 2021.

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 Parent Company at 31 December 2021 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2021.

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

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

Odense, 13 April 2022

Executive Board:

.................................................

René Dines Hermand

Board of directors:

| | | |
|---|---|---|
| ................................................. | ..................................... | ..................................... |
| Torben Frigaard Rasmussen<br>Chairman | René Dines Hermand | Michael Vinther |

# 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 2021, 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 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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" (hereinafter 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.

## 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 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.

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.

### Independent auditor's report

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, 13 April 2022
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 |

### Board of Directors

Torben Frigaard Rasmussen, Chairman
Michael Vinther
René Dines Hermand

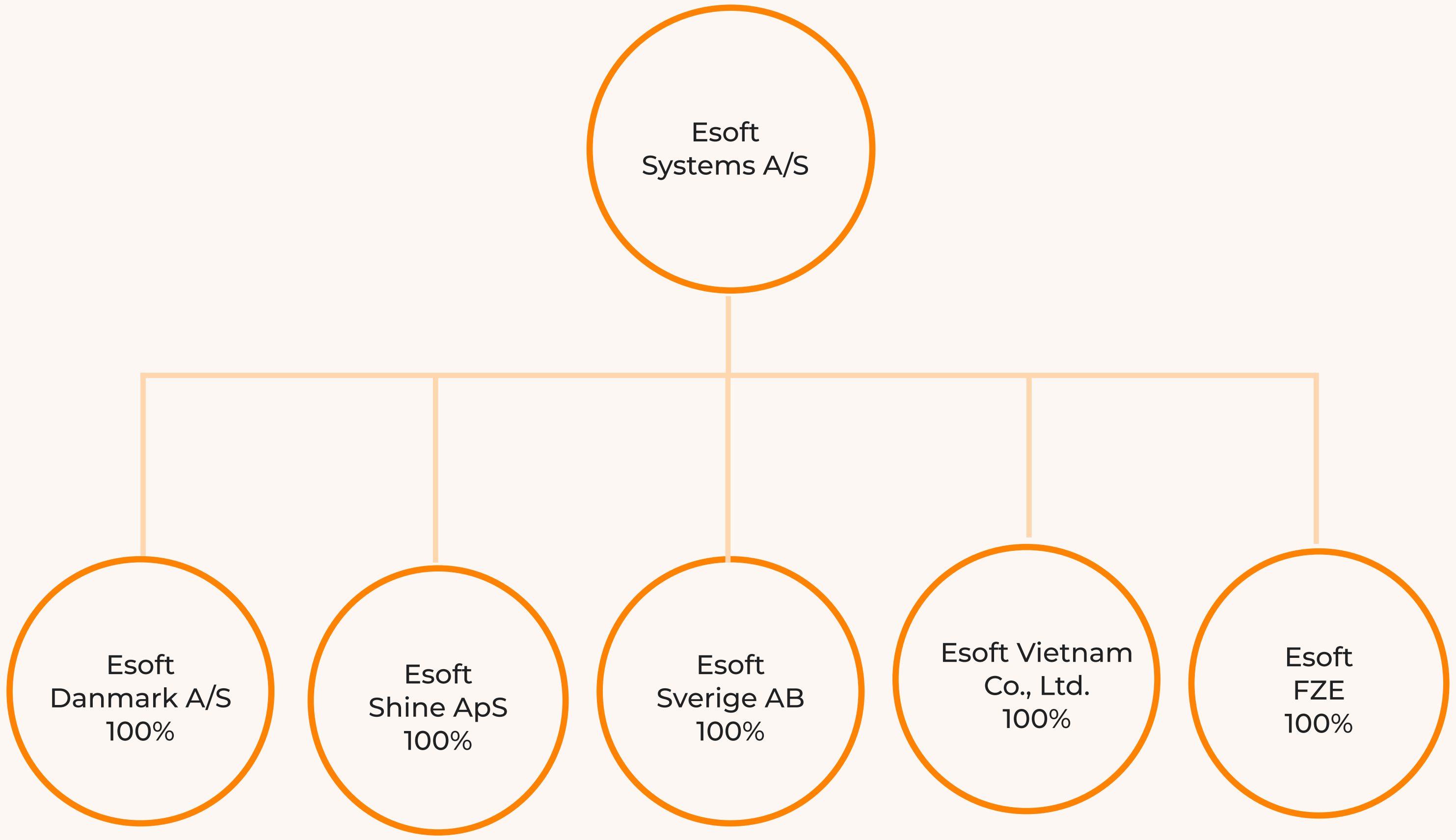
### Executive Board

René Dines Hermand

### Auditor

EY Godkendt Revisionspartnerselskab
Cortex Park Vest 3
5230 Odense M

# Group chart






## Financial highlights for the Group

| DKK'000 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 187.125 | 162.365 | 162.590 | 148.806 | 138.821 |
| Gross profit/loss | 110.015 | 96.514 | 92.032 | 75.778 | 70.101 |
| EBITDA | 15.449 | 10.252 | 8.076 | 4.233 | 10.513 |
| Profit/loss before net financials | 11.683 | 2.537 | 4.111 | 405 | 7.285 |
| Net financials | -388 | -1.570 | -570 | -379 | -194 |
| Profit/loss for the year | 12.329 | 1.175 | 4.557 | 1.249 | 7.105 |
| Total assets | 53.135 | 56.327 | 45.551 | 52.122 | 46.962 |
| Investments in property, plant and equipment | 2.632 | 3.102 | 1.052 | 1.454 | 1.067 |
| Investments in intangible fixed assets | 2.054 | 2.406 | 2.953 | 4.492 | 2.645 |
| Equity | 23.044 | 9.697 | 15.701 | 32.904 | 31.126 |
| Cash flows from operating activities | -149 | 19.975 | 2.303 | 4.194 | 12.455 |
| Cash flows from investing activities | -4.947 | -5.140 | -4.666 | -4.870 | -3.396 |
| Cash flows from financing activities | -4.214 | -3.896 | -9.092 | 28 | 0 |
| Total cash flows | -9.310 | 10.939 | -11.455 | -648 | 9.059. |
| **Financial ratios** | | | | | |
| Operating margin | 6,2 | 1,6 | 2,5 | 0,3 | 5,2 |
| Gross margin | 58,8 | 59,4 | 56,6 | 50,9 | 50,5 |
| Equity ratio | 43,4 | 17,2 | 34,5 | 63,1 | 66,3 |
| Return on equity | 75,3 | 9,3 | 18,8 | 3,9 | 24,9 |
| **Average number of full-time employees** | **827** | **741** | **782** | **675** | **651** |

*The average number of full-time employees for 2020 has been restated for comparison purposes.

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

| | |
|---|---|
| EBITDA | Earnings before interest, taxes, depreciation and amortization |
| Operating margin | $\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$ |
| Gross margin | $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$ |
| Equity ratio | $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at years end}}$ |
| Return on equity | $\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$ |

**+14,9 million**

**pictures and**

**+316 thousand**

**floor plans processed in 2021**

## Principal activities

At the end of 2021, the Group consists of the following companies:
Esoft Systems A/S (IPR and group functions), Esoft Danmark A/S, Esoft Shine ApS, Esoft Sverige AB, Esoft Vietnam Ltd and Esoft – FZE.

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.

## Development in activities and financial matters

### Revenue

The Group revenue ends at MDKK 187,1 in 2021 compared to MDKK 162,3 in 2020, corresponding to a revenue growth of 15%, which is considered satisfactory and in line with the expected growth-level mentioned in last year's annual report.

The high activity that was regained in the last quarter of 2020 went on and lasted throughout the whole financial year.

### Profit/loss for the year

The announced expectation for the year's result in the last annual report was an expectation of continued growth and an improvement in the Group's earnings, but with a reflection of investments.

The Group's profit before tax ends at MDKK 11,3 which is a substantial increase compared to last year, and also better than expected.

In the European markets, the Group's growth is slightly better than the market development. The Group has overperformed the same period last year and seen a positive development in customer relations.

There has been good activity and development in the Group's market shares in the North American housing market. There is a great demand for basic products and interest in the Group's new solutions are also increasing.

The Shine product for digital marketing of properties is experiencing continued development and work is being focused on implementing and commissioning more customers in the Nordic market.

The Group employed an average of 827 employees in 2021, compared to 741 the year before. Especially in Esoft Vietnam the number of employees has increased, due to the continued growth in the Group's markets.

## Equity

The Group's equity stood at MDKK 23,0 at the end of the financial year, equivalent to an equity ratio of 43,4 %. The current solvency and equity are considered satisfactory.
At the end of the financial year, Esoft Systems A/S owns 212.637 of its own shares equivalent to 6,06 % of the share capital.

## Outlook

For the coming financial year, the Group continue to expect a 2-digit top line growth, realized across the Group's companies and markets.

There is an escalating technological development in the company's markets. It is still the company's assessment that it will be crucial for the players in the real estate market to have partners who can create significant added value and competitive advantages via technological edge. Esoft expects increased growth as a result of this, but also a need for investments, to ensure technological lead.

To increase the focus on the Group's international customers, a new sales entity has been established during the financial year to accommodate the growth of our Wholesale business. At the same time, we are optimizing our sourcing strategy to be able to produce more efficiently and facilitate the expected growth. Furthermore, we expect to continue strengthen our presence in the Nordic countries substantially and are ready to increase our business.
It is the management's expectation that revenue will grow substantially in the coming year, and together with a keen focus on cost savings, management expects a profit before tax in the range of MDKK 15-20.



## Risks

### Currency risks

Foreign activities mean that profit, cash flow and equity are affected by the exchange rate development between DKK, SEK, USD, VND, AED, AUD and EUR. No hedging is performed to meet fluctuations unless the risk is considered substantial.

### Interest rate risks

As the net interest-bearing debt does not represent a substantial amount, moderate fluctuations in the interest rate level will not have a significant impact on the profit. Therefore, no hedging is performed unless the risk is considered substantial.

## Research and development activities

Research and development activities primarily include own software development. In the financial year, software development corresponding to MDKK 2,1 is capitalized.

Development activities at the same level are anticipated in the coming financial year.

## Events after the balance sheet date

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


ESOFT
SWEDEN
ESOFT
DENMARK
ESOFT
INTERNATIONAL
ESOFT
VIETNAM

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

## Income statement

| | | Group | | Parent | |
|---|---|---|---|---|---|
| Note | DKK'000 | 2021 | 2020 | 2021 | 2010 |
| | **Revenue** | 187.125 | 162.365 | 21.840 | 20.140 |
| | Cost of sales | -46.092 | -37.059 | 0 | 0 |
| | Other operating income | 56 | 2.138 | 0 | 443 |
| | Other external expenses | -31.074 | -30.930 | -13.081 | -14.787 |
| | **Gross profit** | 110.015 | 96.514 | 8.759 | 5.796 |
| 4 | Staff costs | -94.566 | -86.259 | -15.018 | -15.217 |
| | Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | -3.766 | -7.715 | -1.935 | -6.273 |
| | Other operating expenses | 0 | -3 | 0 | 0 |
| | **Operating profit/loss** | 11.683 | 2.537 | -8.194 | -15.694 |
| | Income from investments in subsidiaries | 0 | 0 | 16.745 | 16.673 |
| 5 | Financial income | 1.499 | 756 | 1.079 | 166 |
| 6 | Financial expenses | -1.887 | -2.326 | -834 | -1.988 |
| | **Profit before tax** | 11.295 | 967 | 8.796 | -843 |
| 7 | Tax for the year | 1.034 | 208 | 3.533 | 2.018 |
| | **Profit/loss for the year** | **12.329** | **1.175** | **12.329** | **1.175** |

## Balance sheet

| Note | DKK'000 | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|---|---|---|---|---|---|
| | **ASSETS** | | | | |
| | **Non-current assets** | | | | |
| 8 | **Intangible assets** | | | | |
| | Completed development projects | 2.379 | 2.273 | 2.068 | 2.017 |
| | Development projects in progress | 1.936 | 1.800 | 1.936 | 1.800 |
| | | 4.315 | 4.073 | 4.004 | 3.817 |
| 9 | **Property, plant and equipment** | | | | |
| | Fixtures and fittings, tools and equipment | 4.360 | 3.611 | 442 | 281 |
| | Leasehold improvements | 118 | 14 | 116 | 0 |
| | | 4.478 | 3.625 | 558 | 281 |
| | **Investments** | | | | |
| 10 | Investments in subsidiaries | 0 | 0 | 23.361 | 5.581 |
| 12 | Deposits | 1.112 | 978 | 221 | 360 |
| | Prepayments | 1.443 | 1.277 | 0 | 0 |
| | | 2.555 | 2.255 | 23.582 | 5.941 |
| | **Total non-current assets** | 11.348 | 9.953 | 28.144 | 10.039 |
| | **Current assets** | | | | |
| | **Receivables** | | | | |
| | Trade receivables | 15.326 | 13.112 | 0 | 0 |
| | Receivables from group entreprises | 1.477 | 1.002 | 5.374 | 23.867 |
| 11 | Deferred tax assets | 6.584 | 4.059 | 6.170 | 3.742 |
| | Joint taxation contributions receivable | 0 | 476 | 1.105 | 1.599 |
| | Other receivables | 4.992 | 5.504 | 1.209 | 2.987 |
| 12 | Prepayments | 2.011 | 1.514 | 1.051 | 669 |
| | | 30.390 | 25.667 | 14.909 | 32.864 |
| | **Cash** | 11.397 | 20.707 | 859 | 4.978 |
| | **Total current assets** | 41.787 | 46.374 | 15.768 | 37.842 |
| | **TOTAL ASSETS** | **53.135** | **56.327** | **43.912** | **47.881** |



## Balance sheet

| Note | DKK'000 | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|---|---|---|---|---|---|
| | **EQUITY AND LIABILITIES** | | | | |
| | **Equity** | | | | |
| 13 | Share capital | 3.507 | 3.507 | 3.507 | 3.507 |
| | Reserve for net revaluation under the equity method | 0 | 0 | 397 | 0 |
| | Reserve for development costs | 0 | 0 | 3.464 | 3.119 |
| | Reserve for currency exchange | 226 | -792 | 0 | 0 |
| | Retained earnings | 19.311 | 6.982 | 15.676 | 3.071 |
| | **Total equity** | **23.044** | **9.697** | **23.044** | **9.697** |
| | **Liabilities** | | | | |
| | **Non-current liabilities** | | | | |
| | Other payables | 0 | 3.777 | 0 | 1.211 |
| | | 0 | 3.777 | 0 | 1.211 |
| | **Current liabilities** | | | | |
| | Credit institutions | 11.379 | 11.341 | 11.379 | 11.341 |
| | Trade payables | 3.021 | 3.222 | 582 | 1.140 |
| | Payables to group enterprises | 0 | 0 | 7.532 | 18.849 |
| | Corporation Tax | 589 | 0 | 0 | 0 |
| | Joint taxation contributions payable | 89 | 0 | 0 | 0 |
| 14 | Other payables | 13.893 | 27.037 | 1.263 | 5.327 |
| | Prepayments | 1.120 | 1.253 | 112 | 316 |
| | | 30.091 | 42.853 | 20.868 | 36.973 |
| | **Total liabilities** | 30.091 | 46.630 | 20.868 | 38.184 |
| | **TOTAL EQUITY AND LIABILITIES** | **53.135** | **56.327** | **43.912** | **47.881** |

| | |
|---|---|
| **1** | Accounting policies |
| **2** | Events after the balance sheet date |
| **3** | Special items |
| **15** | Contractual obligations and contingencies, etc. |
| **16** | Collateral |
| **17** | Related parties |

## Statement of changes in equity

| | | Group | | | |
|---|---|---|---|---|---|
| **Note** | **DKK'000** | **Share capital** | **Reserve for currency exchange** | **Retained earnings** | **Total** |
| | **Equity at 1 January 2020** | 3.507 | 0 | 12.194 | 15.701 |
| | Distributed dividend | 0 | 0 | -6.200 | -6.200 |
| | Transferred; see distribution of profit/loss | 0 | 0 | 1.175 | 1.175 |
| | Acquisition of treasury shares | 0 | 0 | -187 | -187 |
| | Exchange adjustments, foreign subsidiaries | 0 | -792 | 0 | -792 |
| | **Equity at 1 January 2021** | 3.507 | -792 | 6.982 | 9.697 |
| | Distributed dividend | 0 | 0 | 0 | 0 |
| | Transferred; see distribution of profit/loss | 0 | 0 | 12.329 | 12.329 |
| | Exchange adjustments, foreign subsidiaries | 0 | 1.018 | 0 | 1.018 |
| | **Equity at 31 December 2021** | **3.507** | **226** | **19.311** | **23.044** |

## 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 2020** | 3.507 | 0 | 6.061 | 6.133 | 15.701 |
| | Distributed dividend | 0 | 0 | 0 | -6.200 | -6.200 |
| **18** | Transferred; see distribution of profit/loss | 0 | 16.673 | -2.942 | -12.556 | 1.175 |
| | Acquisition of treasury shares | 0 | 0 | 0 | -187 | -187 |
| | Exchange adjustments, foreign subsidiaries | 0 | -792 | 0 | 0 | -792 |
| | Distributed dividend from subsidiaries | 0 | -29.046 | 0 | 29.046 | 0 |
| | Transfer for coverage of losses | 0 | 13.165 | 0 | -13.165 | 0 |
| | **Equity at 1 January 2021** | 3.507 | 0 | 3.119 | 3.071 | 9.697 |
| **18** | Transferred; see distribution of profit/loss | 0 | 16.745 | 345 | -4.761 | 12.329 |
| | Exchange adjustments, foreign subsidiaries | 0 | 1.018 | 0 | 0 | 1.018 |
| | Proposed dividend in subsidiaries | 0 | -17.366 | 0 | 17.366 | 0 |
| | **Equity at 31 December 2021** | **3.507** | **397** | **3.464** | **15.676** | **23.044** |

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.

## Cash flow statement

| Note | DKK'000 | Group 2021 | Group 2020 |
|---|---|---|---|
| | Profit for the year | 12.329 | 1.175 |
| 19 | Other adjustments of non-cash operating items | 3.519 | 6.762 |
| | Cash generated from operations before changes in working capital | 15.848 | 7.937 |
| 20 | Changes in working capital | -15.677 | 12.092 |
| | Cash generated from operations | -171 | 20.029 |
| | Corporation tax paid | -337 | -54 |
| | **Cash flows from operating activities** | -166 | 19.975 |
| 8 | Acquisition of intangible assets | -2.054 | -2.406 |
| 9 | Acquisition of tangible assets | -2.632 | -3.102 |
| | Disposal of tangible assets | 56 | 0 |
| | Other adjustment investing activities | -300 | 368 |
| | **Cash flows to investing activities** | -4.930 | -5.140 |
| | Changes in debt to credit institutions | 38 | 113 |
| | Changes in debt to Lønmodtagernes Feriemidler | -3.777 | 2.378 |
| | Changes in receivables, group enterprises | -475 | 0 |
| | Distributed dividend | 0 | -6.200 |
| | Acquisition of treasury shares | 0 | -187 |
| | **Cash flows from financing activities** | -4.214 | -3.896 |
| | **Cash flows for the year** | -9.310 | 10.939 |
| | Cash and cash equivalents, beginning of the year | 20.707 | 9.768 |
| | Cash and cash equivalents, year end | **11.397** | **20.707** |

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



## Notes

### 1 Accounting policies

The annual report of Esoft Systems A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. A few reclassifications have been made in the comparative figures in the income statement and the notes.

### Consolidated financial statements

The consolidated financial statements comprise the Parent Company Esoft Systems A/S and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

### Foreign currency translation

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

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

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total net investment in the subsidiary are recognised directly in the reserve for currency exchange under equity.

On translation of foreign subsidiaries that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the his-torical exchange rates applying to the non-monetary items.

# 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 exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

## Cost of goods sold

Cost of goods sold comprises the consumption of finished goods used in generating net revenue of the year.

## Other external costs

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

## Other operating income and expenses

Other operating income and expenses comprises items secondary to the Company's activities, including gains on disposal of intangible assets and property, plant and equipment.

## Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.



## Profit/loss from equity 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 results after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

## Financial income and expenses

Financial income and expenses comprise interest income and expenses and gains and losses on payables and transactions denominated in foreign currencies.

## Tax for the year

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

Hermand Holding ApS acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

# Balance sheet

## Intangible assets

### Development projects, patents and licences

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

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Parent Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as 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 5 years, however not exceeding 20 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, however not exceeding 8 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

## Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

| | |
|---|---|
| Fixtures and fittings, tools 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 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.

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

## 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.

## Equity investments in subsidiaries in the parent company financial statements

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealitied intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable the balance is recognised under provisions.

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 in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted 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.

## Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in subsidiaries is tested annually for indication of impairment other than the decrease in perform IT audit review made in reflected by amortisation/depreciation made.

An impairment test is conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying 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.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been 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 country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. 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 effective interest rate of the individual receivable or portfolio is used as discount rate.

## Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

## Equity

## Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation under the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes 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.

## Reserve for currency exchange

The reserve for currency exchange comprises of the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK and foreign exchange adjustments of assets and liabilities considered part of 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 in the parent company financial statements are subject to the limitation requirement in the reserve for net revaluation under the equity method, foreign exchange adjustments will be included in this equity reserve instead.

## Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

## Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet 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 non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date 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 assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the 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.

Other liabilities are measured at net realisable value.

## Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

## Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid.

## Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

## Cash flows from financing activities

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

## Cash and cash equivalents

Cash and cash equivalents comprise of cash.



## 2 Events after the balance sheet date

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** | **2021** | **2020** | **2021** | **2020** |
| **Income** | | | | |
| COVID-19 compensation | 0 | 2.123 | 0 | 443 |
| | 0 | 2.123 | 0 | 443 |
| **Costs** | | | | |
| Write-down of development costs | | -3.814 | | -3.814 |
| | 0 | -3.814 | 0 | -3.814 |
| **Special items are recognised in the below line items** | | | | |
| Other operating income | 0 | 2.123 | 0 | 443 |
| Amortization/depreciation and impairment of intangible assets and property, plant and equipment | 0 | -3.814 | | -3.814 |
| **Net profit/loss before tax from special items** | **0** | **-1.691** | **0** | **-3.371** |

## 4 Staff costs

| | | | | |
|---|---|---|---|---|
| Wages and salaries | 86.423 | 78.913 | 16.441 | 16.644 |
| Pensions | 1.127 | 1.076 | 239 | 302 |
| Other social security costs | 6.965 | 6.023 | 156 | 158 |
| Other staff costs | 1.987 | 2.572 | 118 | 438 |
| Staff costs transferred to development costs | -1.936 | -2.325 | -1.936 | -2.325 |
| | **94.566** | **86.259** | **15.018** | **15.217** |
| Average number of employees | 827 | 741 | 19 | 26 |

Staff costs include remuneration to the Parent Company's Executive Board and Board of Directors totaling DKK 5.345 thousand (2020: DKK 2.920 thousand).

| DKK'000 | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|---|---|---|---|---|

## 5 Financial income

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| Interest income from subsidiaries | 0 | 0 | 18 | 25 |
| Other interest income | 1.499 | 756 | 1.061 | 141 |
| | 1.499 | 756 | 1.079 | 166 |

## 6 Financial expenses

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| Interest expenses to subsidiaries | 0 | 0 | 303 | 286 |
| Other interest expenses | 1.887 | 2.326 | 531 | 1.702 |
| | 1.887 | 2.326 | 834 | 1.988 |

## 7 Tax for the year

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| Estimated tax charge for the year | 2.596 | 363 | 0 | -512 |
| Deferred tax adjustments for the year | -2.525 | -571 | -2.428 | -419 |
| Refund in joint taxation | -1.105 | 0 | -1.105 | -1.087 |
| | **-1.034** | **-208** | **-3.533** | **-2.018** |

## 8 Intangible assets

| | Group | | |
|---|---|---|---|
| **DKK'000** | Completed development projects | Development projects in progress | Total |
| Cost at 1 January 2021 | 23.434 | 1.800 | 25.234 |
| Foreign exchange adjustments relating to foreign entities | 67 | 0 | 67 |
| Additions | 118 | 1.936 | 2.054 |
| Disposals | -742 | 0 | -742 |
| Transferred | 1.800 | -1.800 | 0 |
| Cost at 31 December 2021 | **24.677** | **1.936** | **26.613** |
| Amortisation and impairment losses at 1 January 2021 | 21.161 | 0 | 21.161 |
| Foreign exchange adjustments relating to foreign entities | 45 | 0 | 45 |
| Amortisation | 1.834 | 0 | 1.834 |
| Reversal of accumulated amortisation and impairment of assets | -742 | 0 | -742 |
| Amortisation and impairment losses at 31 December 2021 | 22.298 | 0 | 22.298 |
| **Carrying amount at 31 December 2021** | **2.379** | **1.936** | **4.315** |
| Amortised over | 5 years | | |



## 8 Intangible assets

| | Parent | | |
|---|---|---|---|
| **DKK'000** | Completed development projects | Development projects in progress | Total |
| Cost at 1 January 2021 | 19.128 | 1.800 | 20.928 |
| Additions | 0 | 1.936 | 1.936 |
| Disposals | -742 | 0 | -742 |
| Transferred | 1.800 | -1.800 | 0 |
| Cost at 31 December 2021 | 20.186 | 1.936 | 22.122 |
| Amortisation and impairment losses at 1 January 2021 | 17.111 | 0 | 17.111 |
| Amortisation | 1.749 | 0 | 1.749 |
| Reversal of accumulated amortisation and impairment of assets | -742 | 0 | -742 |
| Amortisation and impairment losses at 31 December 2021 | 18.118 | 0 | 18.118 |
| **Carrying amount at 31 December 2021** | **2.068** | **1.936** | **4.004** |
| Amortised over | 5 years | - | |

### 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.

## 9 Property, plant and equipment

| DKK'000 | Group<br>Fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|
| Cost at 1 January 2021 | 16.073 | 1.053 | 17.126 |
| Foreign exchange adjustments relating to foreign entities | 376 | -1 | 375 |
| Additions | 2.494 | 138 | 2.632 |
| Disposals | -7.127 | -194 | -7.321 |
| Cost at 31 December 2021 | 11.816 | 996 | 12.812 |
| Depreciation and impairment losses at 1 January 2021 | 12.462 | 1.039 | 13.501 |
| Foreign exchange adjustments relating to foreign entities | 222 | 0 | 222 |
| Depreciation | 1.899 | 33 | 1.932 |
| Reversal of accumulated depreciation and impairment of assets disposed | -7.127 | -194 | -7.321 |
| Depreciation and impairment losses at 31 December 2021 | 7.456 | 878 | 8.334 |
| **Carrying amount at 31 December 2021** | **4.360** | **118** | **4.478** |

| DKK'000 | Parent<br>Fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|
| Cost at 1 January 2021 | 396 | 194 | 590 |
| Additions | 325 | 138 | 463 |
| Disposals | -10 | -194 | -204 |
| Cost at 31 December 2021 | 711 | 138 | 849 |
| Depreciation and impairment losses at 1 January 2021 | 115 | 194 | 309 |
| Depreciation | 164 | 22 | 186 |
| Reversal of accumulated depreciation and impairment of assets disposed | -10 | -194 | -204 |
| Depreciation and impairment losses at 31 December 2021 | 269 | 22 | 291 |
| **Carrying amount at 31 December 2021** | **442** | **116** | **558** |



## 10 Equity investments in subsidiaries

| DKK'000 | Parent<br>2021 | 2020 |
|---|---|---|
| Cost at 1 January 2021 | 6.763 | 6.786 |
| Additions | 17 | 0 |
| Disposals | 0 | -23 |
| Cost at 31 December 2021 | 6.780 | 6.763 |
| Value adjustments at 1 January 2021 | -1.182 | 11.960 |
| Foreign exchange adjustment | 1.018 | -792 |
| Distributed dividend | 0 | -29.046 |
| Profit/loss for the year | 16.745 | 16.673 |
| Disposals | 0 | 23 |
| Value adjustments at 31 December 2021 | 16.581 | -1.182 |
| **Carrying amount at 31 December 2021** | **23.361** | **5.581** |

| Name and registered office | Voting rights and ownership |
|---|---|
| Esoft Danmark A/S, Denmark | 100 % |
| Esoft Shine ApS, Denmark | 100 % |
| Esoft Sverige AB, Sweden | 100 % |
| Esoft Vietnam Co., Ltd., Vietnam | 100 % |
| Esoft - FZE, United Arab Emirates | 100% |

All subsidiaries are considered separate entities.

## 11 Deferred tax assets

The Group has recognized net tax assets of a total of DKK 6.584 thousand at 31 December 2021. The tax assets consist of recognized tax loss carryforwards of DKK 6.647 thousand and time differences of DKK -63 thousand. The total tax loss carryforwards can be attributed to Danish group entities.

Management considers it likely that there will be future taxable income against which tax deductions can be offset on the basis of budgets to 2024.

| DKK'000 | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|---|---|---|---|---|
| Deferred tax assets at 1 January | 4.059 | 3.488 | 3.742 | 3.323 |
| Changes during the year | 2.525 | 571 | 2.428 | 419 |
| **Deferred tax assets at 31 December** | **6.584** | **4.059** | **6.170** | **3.742** |
| | | | | |
| **Deferred tax relates to:** | | | | |
| Intangible assets | -540 | -840 | -540 | -840 |
| Property, plant and equipment | 477 | 365 | 63 | 48 |
| Tax loss carryforwards | 6.647 | 6.413 | 6.647 | 6.413 |
| Unrecognised tax loss carryforwards | -0 | -1.879 | -0 | -1.879 |
| | **6.584** | **4.059** | **6.170** | **3.742** |

## 12 Prepayments

Prepayments, recognised under financial fixed assets and current assets, primarily comprise costs incurred concerning subsequent financial years.

## 13 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. There have been no changes in the share capital during the last 5 years.

### Treasury shares

At 31 December 2021, Esoft Systems A/S holds a total of 212.637 treasury shares, corresponding to 6,06% of the total share capital of Esoft Systems A/S.

## 14 Other payables

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

## 15 Contractual obligations and contingencies, etc.

### Contingent liabilities

The Danish entities of Esoft Systems A/S Group is jointly taxed with the ultimate Parent Company Hermand Holding ApS (Hermand Holding ApS 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 Hermand Holding ApS, 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.



### Operating lease commitments

The Group has entered into operating leases with a total remaining nominal lease commitment of DKK 2.516 thousand as of 31 December 2021. DKK 1.233 thousand of the total remaining nominal lease commitment is due within the following year and DKK 1.283 thousand is due within 1-4 years.

The Group has entered into rent agreements with a total annual payment of DKK 3.281 thousand. The rent agreements can be terminated within 3-34 months and the total obligation as of 31 December 2021 amounts to DKK 7.860 thousand.

The Parent Company has entered into operating leases with a total remaining nominal lease commitment of DKK 436 thousand as of 31 December 2021. DKK 264 thousand of the total remaining nominal lease commitment is due within the following year and DKK 172 thousand is due within 1-3 years.

The Parent Company has entered into rent agreements with a total annual payment of DKK 513 thousand. The rent agreements can be terminated within 3-32 months and the total obligation as of 31 December 2021 amounts to DKK 1.172 thousand.

## 16 Collateral

As security for the Group's debt to the Danish bank Nykredit A/S a receivables charge of DKK 700 thousand has been issued.

The Group's 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 total carrying amount of the comprised assets is DKK 7.227 thousand.

The Danish entities of Esoft Systems A/S Group are jointly and severally liable for the Group's net debt to Nykredit A/S which amounts to DKK 10.626 thousand.

## 17 Related parties

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

### Parties exercising control

Hermand Holding ApS, Højbyvej 50, 5260 Odense S.

### Subsidiaries

Esoft Danmark A/S, Esoft Shine ApS, Esoft Sverige AB, Esoft Vietnam Co., Ltd. and Esoft - FZE.

### 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 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 4.

### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Hermand Holding ApS, Højbyvej 50, 5260 Odense S

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



| | Parent | |
|---|---|---|
| **DKK'000** | **2021** | **2020** |

## 18 Distribution of profit/loss

| | | |
|---|---|---|
| **Proposed distribution of profit/loss** | | |
| Extraordinary dividend distributed in the year | 0 | -6.200 |
| Transferred to reserve for net revaluation under the equity method | 16.745 | 16.673 |
| Transferred to reserve for development costs | 345 | -2.942 |
| Retained earnings | -4.761 | -6.356 |
| | **12.329** | **1.175** |

| | Group | |
|---|---|---|
| **DKK'000** | **2021** | **2020** |

## 19 Adjustments

| | | |
|---|---|---|
| Depreciation, amortization and impairment losses | 3.766 | 7.715 |
| Gains from disposal of tangible assets | -56 | 0 |
| Tax on profit/loss for the year | -1.034 | -208 |
| Other adjustments of non-cash operating items | 843 | -745 |
| | **3.519** | **6.762** |

## 20 Changes in working capital

| | | |
|---|---|---|
| Changes in receivables | -2.199 | -2.197 |
| Changes in trade and other payables | -13.478 | 14.289 |
| | **- 15.677** | **12.092** |

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*"By my signature I confirm all dates and content in this document."*

**René Dines Hermand**
**Executive Board**
On behalf of: Esoft Systems A/S
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*IP: 5.30.xxx.xxx*
*2022-04-13 07:24:43 UTC*
NEM ID

**René Dines Hermand**
**Board of Directors**
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**Michael Vinther**
**Board of Directors**
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**Torben Frigaard Rasmussen**
**Chairman**
On behalf of: Esoft Systems A/S
*Serial number: PID:9208-2002-2-755532531316*
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*2022-04-17 10:21:52 UTC*
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**Søren Smedegaard Hvid**
**State Authorised Public Accountant**
On behalf of: EY Godkendt Revisionspartnerselskab
*Serial number: CVR:30700228-RID:1256831000710*
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*2022-04-17 12:15:06 UTC*
NEM ID

**Hans Svend Høffner**
**Chairman of the meeting**
On behalf of: Esoft Systems A/S
*Serial number: PID:9208-2002-2-259126253405*
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