TIMEXTENDER

ANNUAL REPORT 2021

01.07.2020 – 30.06.2021

TimeXtender A/S - Hedeager 5, 8200 Aarhus N, Denmark CVR No. 29216711

The Annual General Meeting adopted the annual report on 24.11.2021

Chairman of the General Meeting, Christian Alexander Geertsen

TIMEXTENDER REACHES 5M USD IN ARR WITH A **59%** GROWTH RATE AND ENDS THE YEAR WITH A RECORD LOW ANNUAL CHURN OF **1.9%** WHILE MEETING THE MILESTONE OF BECOMING **CASH FLOW POSITIVE**

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Annual Report FY2021

MANAGEMENT COMMENTARY

We are the Xpeople & our Core Purpose is

EMPOWERING THE WORLD WITH DATA, MIND, AND HEART.

Because Time Matters.

The world is complex, dynamic, and ever-changing. That´s why we take a fresh new look at the world every day. We are not afraid of being different, rethinking normal, and going different ways. In fact, what if there´s no right or wrong way? We are not here to be right but to get it right.

We give back time to the world – as time is the only finite resource – and one crucial one to balance data, mind, and heart. That´s why we truly do believe that time matters and why we are constantly on the lookout to simplify and automate, to execute on what matters most – to free up more time in the world – to do good and get it right with data, mind, and heart. We are on a path to make a proactive footprint on our world, challenging the way we work and think, empowering the future for all of us for generations to come – we are here to make it right.

We set the bar high; for ourselves, our partners, and customers! And we keep raising it. Up and up! We take pride in automating the tedious and mundane. Our future-proofed software solution for building modern data estates, enables the world to make decisions with data - 10X faster than any other product out there. The real value in data comes not only by having it easily accessible, but it is equally important how you choose to bring your mind and heart into play with the data you have at hand!

OUR EQUITY STORY

At TimeXtender, we are dedicated to automating as much as we can to free up people's time, enabling them to focus on what matters most.

TimeXtender employees, the Xpeople, believe we are what we give, and people do business with people. Therefore, we strive, in all we do, to balance data, mind, and heart. We help companies, organizations, and institutions get access to data, for any use case they might have.

TimeXtender is built to automate and simplify the development of modern data estates for analytics and AI – enabling them to achieve more and make quality decisions!

Our core purpose is empowering the world with data, mind, and heart. We do this standing on our Core Beliefs:

Rising complexity within the field of Data Management

Data is unlike any other asset in our world. It never wears out, it never drains, it can be used over and over, and it never stops growing!

But getting access to your data in a form that is reliable, structured, compliant, and yet flexible is more complex than ever before. Data estate management is difficult, time consuming, and costly: it normally requires highly skilled staff experienced in data infrastructure, data management, analytics, and AI.

Not having access to data in a form you can use, and trust can be detrimental for companies – being able to make quality decisions is what separates successful businesses from the others. The TimeXtender Data Estate Builder is developed to solve this and empower the world with data, mind, and heart.

Simplify
Automate
Execute

Because time matters, we engage fully charged.

Our Automated, Low-Code, Drag-and-Drop Data Estate Builder

TimeXtender is a Danish Purpose-driven software-as-a-service (SaaS) company and a market leader in software for creating modern data estates through our no-code/low-code data management platform.

Our Data Estate Builder empowers you to build a modern data estate 10x faster than any other solution out there. We are 10x faster because our platform offers easy data integration, automated code generation, automated and optimized data loading, and management and transfer of data between multiple environments, among many other features! And, our product offers all these capabilities within one, easy, no-code/low-code platform! In addition, we future proof data estates, as our platform is capable of adapting to new data structures, and flexible enough to accommodate cloud and on-prem data infrastructures.

Fast and profitable growth
- A strong business case

Our TimeXtender platform fills a gap in the global data estate management market, as this market today is still comprised of a range of point solutions and patched-together vendors.

Our primary target market are midsized companies and up, with a revenue above 50M EUR/USD across all industries. We focus on North America, Europe, and the UK, but have companies benefitting from our technology in more than 94 countries around the globe. The data estate market, and, specifically, cloud data estate, is among the fastest growing sectors in enterprise technology.

We have built a powerful and now exponential go-to-market strategy by being 100% partner-driven! In 2016 we made the transition to becoming a 100% software company, phasing out services and introducing our 100% partner-driven go-to-market strategy. On top of that, we transitioned from being a perpetual to a subscription-only business in 2017. These transitions have been done based on our model for fast and profitable growth, where we balances a desire to grow exponentially on all metrics, while staying profitable.

Getting a partner-driven go-to-market strategy implemented requires front-loading multitude of costs to build the foundation for exponential growth in the coming years. We are past this transition phase and have a very strong partner channel that is helping us expand our solution to more end customers than we ever could on our own. Running a company with a pure partner driven go-to-market strategy is challenging, but when implemented successfully, as we have managed, you get the rewards of a very scalable and profitable strategy. The FY21 numbers are showing how the results of this strategy are hitting our books already, and we are ready to invest even further in our partner channel in FY22 to continue our growth. At the end of FY21, we had 132 partners in our eco-system helping us empower the world with data, mind, and heart.

Combine our army of trusted partners with the fact that we had a 12-month rolling churn of only 1.90% in FY21, and it becomes clear that we have an incredibly robust business and a growth trajectory that outpaces our industry average. Furthermore, we do not rely on any single customer alone, as all licenses are priced the same!

With a lean, strong team of dedicated Xpeople, a strong and proven product-market fit, a resilient business model, and an effective go-to-market process, TimeXtender is set to scale fast and achieve the goal of becoming the market standard for building modern data estates and empowering the world with data, mind, and heart!

2006
The first public version of TimeXtender was released and TimeXtender becomes Microsoft Gold Partner!

2010
TimeXtender teams up with Jet Reports on an OEM partnership for the Microsoft ERP market

2012
First North America Office opened

2015
TimeXtender starts their transition to becoming a 100% software company phasing out services

2016
TimeXtender transition to a 100% partner driven Go To Market Strategy & becomes a Qlik Technology Partner

2017
TimeXtender transitions from a perpetual to a subscription only business model, pivoting to a SaaS company.

2019
TimeXtender is awarded Microsoft Partner of the Year Finalist in Data Estate Modernization

2020
TimeXtender is awarded Microsoft Partner of the Year Finalist in Data Estate Modernization.

2021
TimeXtender has successfully transformed into a 100% partner driven SaaS company

2022 & Beyond
TimeXtender is ready to grow fast and profitable!

CEO's Statement

"FY21 has been a historical year for TimeXtender having achieved several strategic milestones: having +50% topline subscription growth, being cashflow positive on operations for the entire year, breaking EBITDA positive during the financial year, setting up our Purpose Circle organization for future rapid growth & implemented a warrant program for all Xpeople.

I am super pleased with and proud of our financial results and operational performance with a 59% growth in ARR and dropping all the way down to 1.9% in customer churn!

We are simplifying, automating, and executing on all the key things we set out to do! We are executing on our Recruit – Activate – Grow strategy with our partners, and all the customers staying with us and new customers joining us are a testimony to us and our partners succeeding together. All this while we are continuously improving our product and getting ready to expand it even further in FY22 – a strong foundation for our future growth journey "

Heine Krog Iversen
CEO & Founder of TimeXtender

2021 Performance Snapshot

59% ANNUAL RECURRING REVENUE GROWTH

Simplify
Automate
Execute

Because time matters, we engage fully charged.

6.2
CLV/CAC

13 NEW XPEOPLE AND MORE TO JOIN IN FY22

1.9%
ANNUAL CUSTOMER CHURN

CF+

BECAME CASH FLOW POSITIVE

30 NEW/132 TOTAL PARTNERS

80%

FY22 TOTAL REVENUE CAPTURED END FY21

45M DKK

FY21 REVENUE

85 NEW / 259 TOTAL SUBSCRIPTION CUSTOMERS

31

COUNTRIES WITH SUBSCRIPTION CUSTOMERS

AUTOMATED, LOW-CODE, DRAG-AND-DROP DATA ESTATE BUILDER

KEY FINANCIAL FIGURES

Statement from the CFO

Klaus Vang

"EBITDA: Continuous investment in long term growth while the flywheel effect improves EBITDA

For the consolidated business the financial year 2021 resulted in a negative EBITDA of 5,962K DKK , compared to a negative EBITDA of 14,545K DKK in FY20. The result is in alignment with TimeXtender's expectations and in accordance with the growth strategy, setting TimeXtender up for long term success through a well established ecosystem of partners and customers. The remarkable improvement is a result of the growing subscription portfolio, based on a strong ARR growth and impressive retention.

Our growth strategy prescribes investing into product development and commercial activities, to continue having the best in class Data Estate Builder and the strongest partner channel to expand our customer portfolio.

TimeXtender has reached a consistent and impressive ARR growth rate over the last years with a 61% annual growth rate in FY20 and 59% in FY21 to a total subscription ARR of 32M DKK, thus continuing a strong growth in ARR, a true testimony to the product and partner channel we have built!

Investing in growing the team of Xpeople is on the short term generating a negative EBITDA, but on the long run it will strengthen TimeXtender profitability and position in the market. We are already seeing these strengthening effects in FY21 as we have improved our EBITDA significantly, and in FY22 we are looking at being EBITDA positive while still investing for continued growth!"

	FY21 DKK'000	FY20 DKK'000
Revenue	45,037	40,723
Cost of Good Sold	4,630	5,910
Operating Expenses	46,369	49,358
EBITDA	(5,962)	(14,545)

ROBUST FINANCIAL DEVELOPMENT

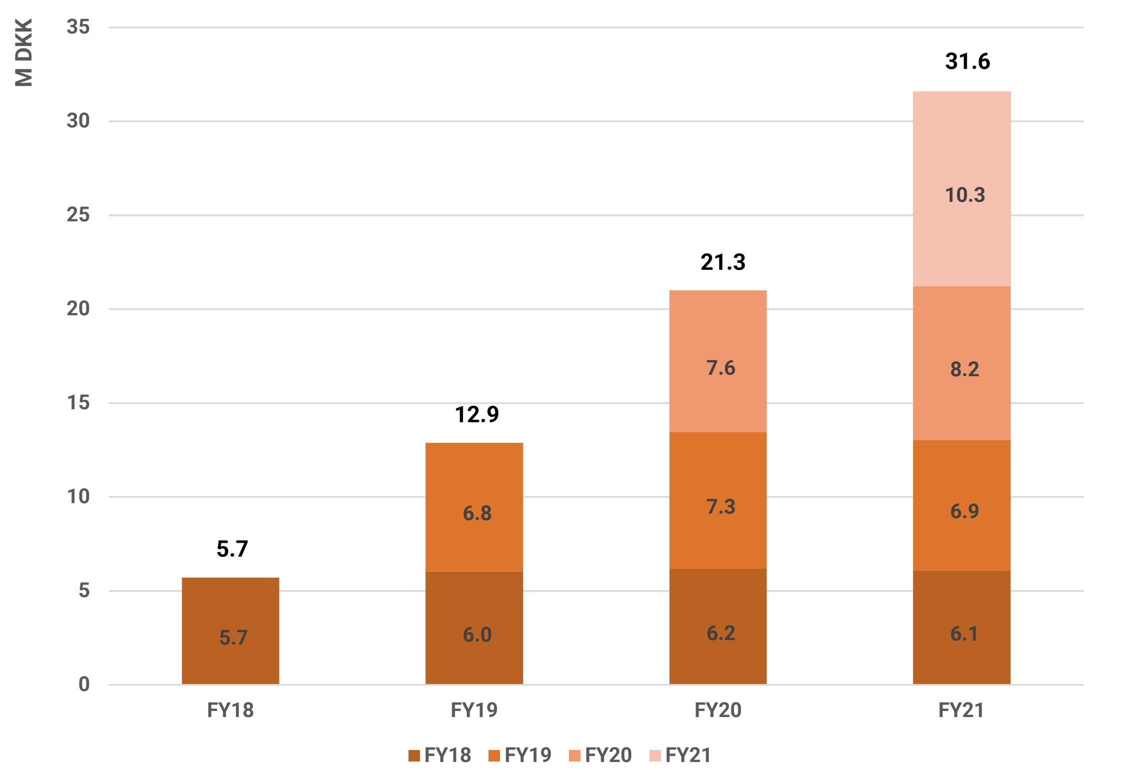
Strong Topline Subscription & ARR Growth of +50%
The driver of TimeXtender's robust financial development is the fast-growing subscription business. In FY21 TimeXtender had a 56% increase in booked subscription revenue.

Because subscription sale is deferred and thereby delays revenue recognition on long-term prepayments, a common metric for SaaS companies is the Annual Recurring Revenue (ARR). ARR is a measure of how much revenue a company predictably generates going forward based on its current client base. Analysts conventionally apply a multiple to the Annual Recurring Revenue when they value a company.

For SaaS companies, a strong Annual Recurring Revenue also creates a solid economic foundation of predictable cash flows, which enables a company to responsibly invest in future growth.

Annual Recurring Revenue will decrease if a customer churns, while it will increase with the onboarding of new customers.

Annual Recurring Revenue Development Yearly Cohorts



TimeXtender's ARR grows by 59% in FY21. In line with TimeXtender's pricing model, ARR for individual licenses may change slightly, if a customer changes payment schedule, and only on rare occasions a customer separates its data estate requiring a multi-license agreement. Therefore, upsell to customers is not in focus and each customer contribution to ARR is close to consistent and same size, removing dependency on individual customers.

As annual customer churn rate is on impressive 1.9% almost all our customers stay with us, and we see low negative churn impact on our ARR. This is a key strength indicator for leading SaaS companies, and it shows the constantly growing strength of TimeXtender's product-market fit, and the value we deliver to our ecosystem of partners and customers. It is a strategic focus for us where we have been most successful by having a best-in-class product and support.

One of the keys to our success and continued strong growth is that we offer all our partners a 40% margin on all licenses they sell[1]. By selling TimeXtender licenses, our partners can build their own strong ARR pipeline, making them robust companies, as well – this is something that our partner expressed gratitude for, especially during FY21, where the effects of COVID-19 negatively impacted the industry.

The continued development of our strong product that generates a strong ARR development each year, is essential for TimeXtender, as this generates predictable cashflows and a solid economic foundation for investing into future growth with low risk and high forecasting predictability.

Positive trends for EBITDA and Cash Flow from Operations

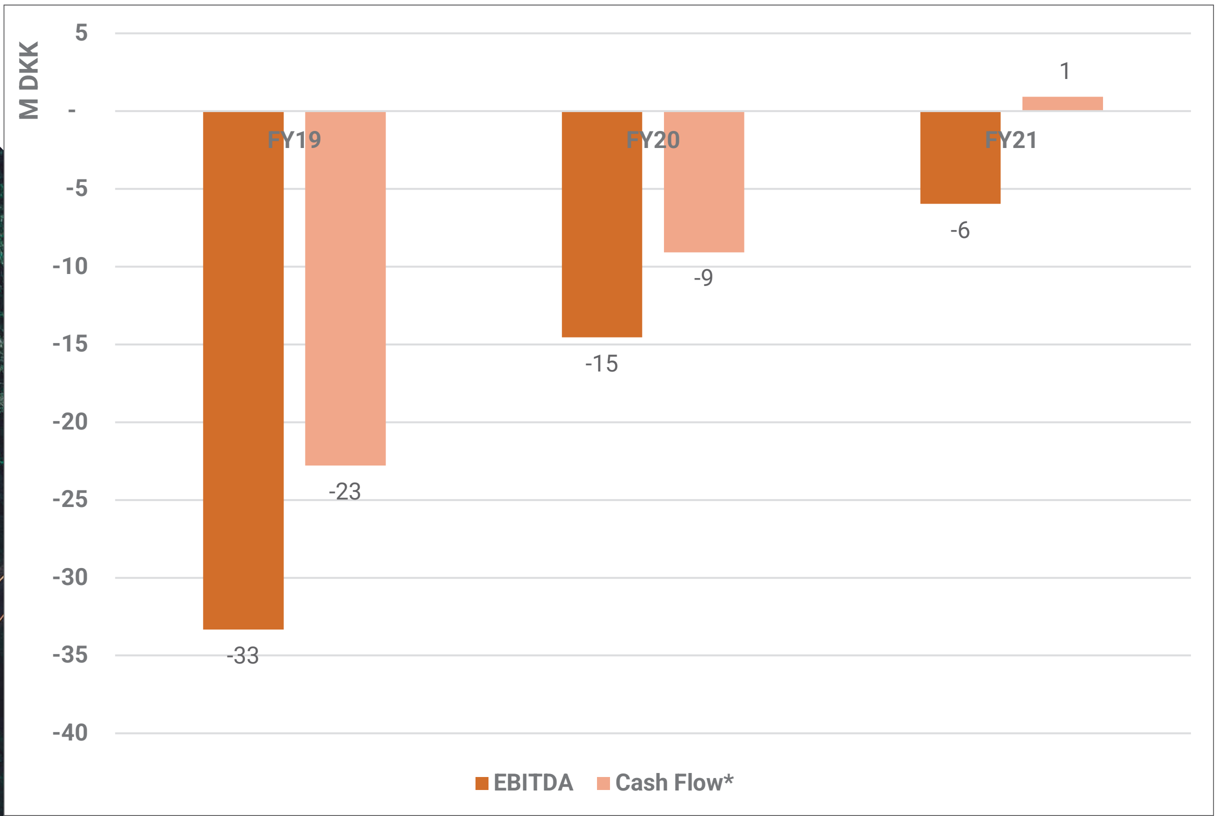
Rapid growth is a key strategic focus for TimeXtender, but we want to execute it without blowing EBITDA and cashflow – this is not a strategy applied often among SaaS companies, but we believe in this way of running a business.

[1] All numbers shown in this report is Timextender net numbers!

For this reason, TimeXtender set out to become cashflow positive from operations for the entire year, which is a milestone we successfully reached, as consolidated EBITDA for FY21 ended on minus 5,962,402 DKK, which was exceeded by the increase in deferred revenue of 6,892,984 DKK. This means; TimeXtender has sold for more than we have expensed on operations. This is a great milestone to pass on our path to build a robust and profitable business.

Due to the delays in revenue recognition, EBITDA remained negative in all quarters of FY21, but as the year ended EBITDA was on the brink to become positive in Q4.

These are remarkable improvements of our EBITDA and cash flow, and this development qualifies our expectations of positive EBITDA and general cashflow for FY22.



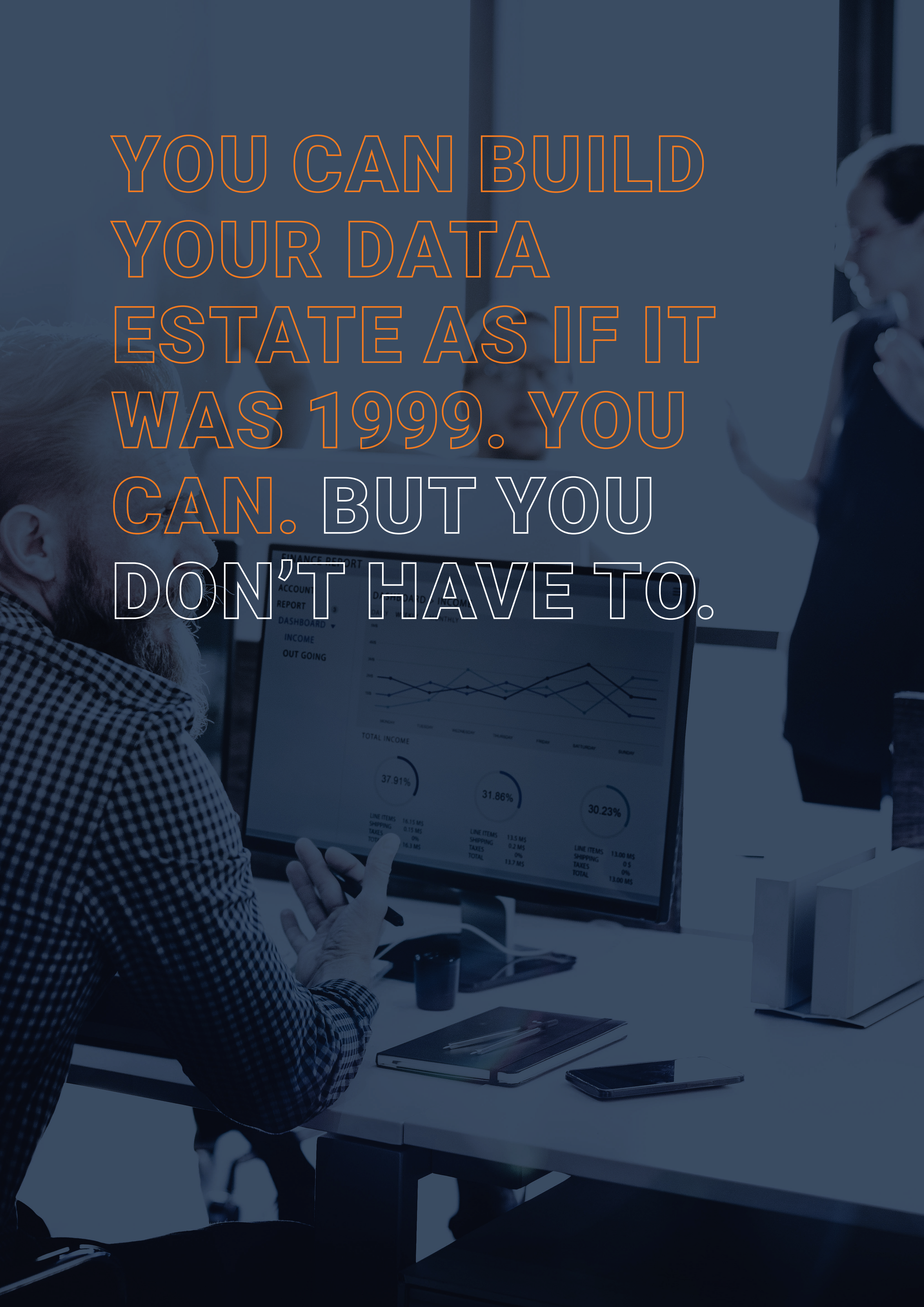
*Cash flow measured as Sales – COGS – OPEX

Consolidated Income Statement

This consolidated income statement covering TimeXtender A/S and TDCNA Inc. is to reflect the composition of revenue and costs, split by function, for the entire operating organization. Parts of the organization is operated by the US subsidiary, TDCNA Inc., and governed with a cost+ agreement leaving a net profit for TDCNA Inc. in FY21 of 936,109 DKK. This profit in TDCNA Inc. constitutes the difference between the Consolidated Income Statement and the Income Statement for TimeXtender A/S.

	FY21	FY20	FY19
Subscription	**27,079,586**	**17,398,981**	**9,309,088**
% Growth	*56%*	*87%*	*273%*
% Revenue	*60%*	*43%*	*26%*
Annual Maintenance	**7,720,720**	**7,692,482**	**8,083,405**
OEM & Solutions	**8,971,739**	**11,349,023**	**10,819,778**
Professional Services	**1,264,679**	**4,282,203**	**7,208,627**
Total revenue	**45,036,724**	**40,722,689**	**35,420,898**
% Growth	*11%*	*15%*	*40%*
COGS	**4,629,653**	**5,909,926**	**7,044,182**
% Revenue	*10%*	*15%*	*20%*
Gross profit	**40,407,071**	**34,812,763**	**28,376,716**
% Growth	*16%*	*23%*	*131%*
% Revenue	*90%*	*85%*	*80%*
R&D expenses	5,865,987	6,720,105	6,921,677
Capitalized internal development	(3,555,410)	(4,119,232)	(4,331,003)
Net R&D cost	**2,310,577**	**2,600,872**	**2,590,674**
% Revenue	*5%*	*6%*	*7%*
Non-cap'd R&D expense % of Rev.	*13%*	*17%*	*20%*
Sales & marketing	**26,367,106**	**28,021,738**	**35,537,576**
% Revenue	*59%*	*69%*	*100%*
Admin & support	**17,691,789**	**18,735,498**	**23,576,064**
% Revenue	*39%*	*46%*	*67%*
Total operating expenses	**46,369,472**	**49,358,109**	**61,704,314**
% Revenue	*103%*	*121%*	*174%*
EBITDA	**(5,962,402)**	**(14,545,345)**	**(33,327,598)**
% Revenue	*(13)%*	*(36)%*	*(94)%*
D&A	3,638,902	3,505,352	3,118,746
% Revenue	*8%*	*9%*	*9%*
EBIT	**(9,601,304)**	**(18,050,698)**	**(36,446,343)**
% Revenue	*(21)%*	*(44)%*	*(103)%*
Financial income/(expenses)	(791,383)	(3,373,648)	(2,186,551)
R&D tax credit	2,997,767	906,231	2,259,003
Extraordinary income/(expenses)	(1,318,000)	-	-
PBT	**(8,712,920)**	**(20,518,115)**	**(36,373,892)**
% Revenue	*(19)%*	*(50)%*	*(103)%*
Payable taxes	11,439 0	8,329 0	933 0
Net income	**(8,724,358)**	**(20,526,443)**	**(36,374,825)**
% Revenue	*(19)%*	*(50)%*	*(103)%*

YOU CAN BUILD YOUR DATA ESTATE AS IF IT WAS 1999. YOU CAN. BUT YOU DON'T HAVE TO.



BUSINESS SUMMARY

Transitioned
Financial year 2021 is the year where we have completed three strategically important transitions:

1. **Going from selling services to only selling software**
2. **Going from a direct go-to-market strategy to a 100% indirect, partner-driven go-to-market strategy**
3. **Going from selling perpetual licenses to subscription licenses**

These three, major transitions mark the beginning of a new era as TimeXtender becomes a 100% partner driven SaaS company.

These transitions were successfully completed and put in the books through our strategic efforts and front-loading of costs.

On top of welcoming all these new great partners to our eco-system, we introduced a new way for the partners to engage with us; 'Solution', a unique commercial approach that allows our partners to design and develop specific analytic solutions for multiple customers and sell them at scale. This new way of selling TimeXtender was introduced in FY21 Q4, and our expectations for revenue growth are high.

Highlights from Product
In Q1, we released version 20.10 of our product to all our customers. The focus was on strengthening the ODX module with a data lake-optimized ODX that utilized Parquet files to ensure faster movement, type-safe storage, and better integration with external systems.

OUR TIMEXTENDER PARTNERS ARE OUR GROWTH ENGINE

Strong development in Partnerships
Our TimeXtender partners are our growth engine, and they enable our future exponential growth! In financial year 2021, we welcomed 30 new partners to our eco-system.

The release also contained automatic incremental load from the ODX into a data warehouse, which is a perfect example of our core beliefs to automate and simplify. Now, the transfer from ODX to MDW is optimized and under complete control by the system.

We also strengthened the ODX from a workflow perspective with a new data storage browser to give detailed insight into current storage, and a new data source explorer with functionality for confirming that configurations are working as expected.

Version 20.10 also brought new features to administrators of the solution. Administrators will now be able to receive notifications of critical errors by email. For the upgrade scenario of the service, we have added a feature to perform “Safe Shutdown” of the ODX server. Our Improved logging UI and less logging of redundant information makes it easier to monitor the service too. And, finally, we have added a Project Lock to prevent multiple ODX servers from using the same ODX project as a safety precaution.

For the remaining part of the year, we have focused our attention on the new platform for the product that is scheduled for release in Q1, FY22. This release will bring the SaaS concept into the core of our product by moving customer product data from the old local databases into our online Customer Portal. We see many benefits following this move, including:

GUIDANCE FOR BEST PRACTICES

CLOUD ACCESS AND SAAS FEATURES THAT RAPIDLY ENHANCES THE VALUE OF THE PORTAL

THE ABILITY TO SEPARATE DEVELOPMENT WORK AND FOCUS ON EACH ELEMENT

PRODUCT USAGE DATA TO HELP US FOCUS OUR PRODUCT DEVELOPMENT EFFORTS

OUTLOOK FOR FY2022

Guidance – *Fast & profitable growth*

We have set ambitious financial milestones for financial year 2022 to continue our fast and profitable growth journey:

- Top line subscription growth of +50%
- Total net revenue passing 10M USD for first time
- Cashflow positive as a whole for the entire year
- EBITDA +500,000 USD
- Profitable for the entire year

In FY21, TimeXtender reached the ambitious financial milestones set out at the beginning of the financial year. These FY22 financial milestones, while ambitious, are in line with the performance we delivered in FY21.
The foundation for reaching our milestones in FY22 is a continued, focused execution on growing the TimeXtender ecosystem of partners and customers through recruiting new partners in our key strategic countries and markets and working systematically with our current partners to grow their TimeXtender customer base.

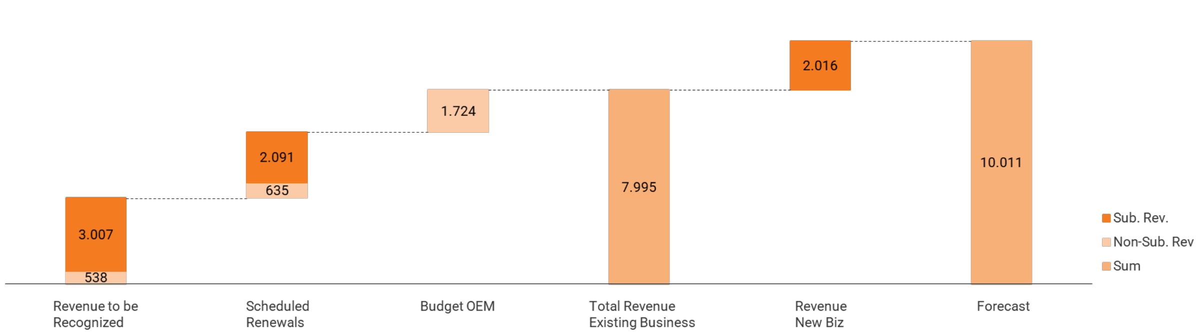
Based on the performance delivered in FY21, the trajectory for FY22, the current state of the market for modern data estates, and a normalization of the world post COVID-19, we believe in our ability to deliver on the milestones set out above.

To drive the achievement of the above milestones, we forecast a total revenue of just above 10M USD. Given the nature of a healthy SaaS company, supported by our extremely high retention rate, 72% of our FY22 forecasted subscription revenue and 80% of our forecasted total revenue is already captured in our existing customer portfolio as of July 30th, 2021.

Our pre-paid subscription model ensures a steady realization of revenue in the following quarter due to automatic renewals and our current retention rate of 98%.

Events after the reporting period
From the balance sheet date and until today, no further matters, which would influence the evaluation of the annual report has occurred.

Cohort Analysis of FY22 Revenue (USD)



FOR PROFIT & FOR PURPOSE

Our vision for impacting the world with data, mind, and heart.

We are the X-People, and we are here to make a lasting footprint.

We give back time to the world – as time is the most valuable commodity – through our commitment to balancing data, mind, and heart.

We truly do believe that time matters, which is why we are constantly on the lookout to simplify and automate, to execute on what matters most (freeing up more time in the world) and to do good and get it right with data, mind, and heart.

We strive to make a proactive footprint on our world, challenging the way we work and think, empowering the future for all of us here now, and for generations to come – we are here to make it right.

Working and thinking as a fully distributed and global team, all we need is a phone, laptop, and internet connection (and coffee, of course!). We engage in online discussions and jump on calls across continents, cultures, and time zones, when needed, in order to move our work forward.

We seek to set humans free, to focus on life balance and on output over input. We are all different, in different stages of our lives, and we want all people to have equal access to the knowledge and activities that bring them to live their purpose, while being the best possible version of themselves. We believe that diversity in all its forms ultimately leads to better decisions and a better future for everyone.

BECAUSE TIME MATTERS

We believe in taking the time and space needed to reflect in business and life, and to recharge our bodies, minds and hearts to enhance our ability to focus on deep work that sparks creativity and innovation.

Ultimately, people do business with people. It's in our DNA & Culture, and it's a crucial factor to our well-being to stay socially connected and prioritize time to talk face-to-face with colleagues and partners with our data, mind, and heart.

Our future well-being – environmentally and socially – lies in the decisions we make every minute of every day. We choose to focus on specific environmental, social, and governance (ESG) goals, as we want our business to not only grow and make a profit, but to be a force for good in the world. The goals we´re striving for are inspired by – and, in parts, aligned with – the 17 Sustainable Development Goals (SDG´s) of the 2030 Agenda, an action program signed by the 193 member countries of the United Nations, and a momentous challenge for the future of our planet.
In particular, TimeXtender strives to support Goal no. 3 “Good Health and Well-Being”, no. 4 “Quality Education”, and no.11 “Sustainable Cities and Communities”, but our CSR efforts are not limited to these 3 goals and the UN SDG framework.

We believe that, to make big changes in the world, we will need to start small in the local communities we serve, eventually leading to a growing, lasting, global impact – one dialogue and one step at the time.

Sustainable Health and Well-Being for Xpeople and Our Local Communities

Sustainable High-Quality education for Xpeople and Our Local Communities

Sustainable Cities in Our Local Communities

Sustainable Climate for Our Planet

At TimeXtender, we have focused our DNA & Culture on five key cornerstones that act as the tools which help us reach our potential as individuals, as Purpose Circles, and as an organization.

The five cornerstones: Connection, Resilience, Personal Leadership, and our Core Purpose and Core Beliefs are our foundation and a central part of our DNA.

Our Core Purpose communicates our place, uniqueness and direction in the world. Our Core Beliefs drive our behaviour and prioritization. Together they form our anchor and compass in everyday work life. The last three corner stones; Personal Leadership, Resilience and Connection are not the goal itself but means that empower us to achieve our goals.

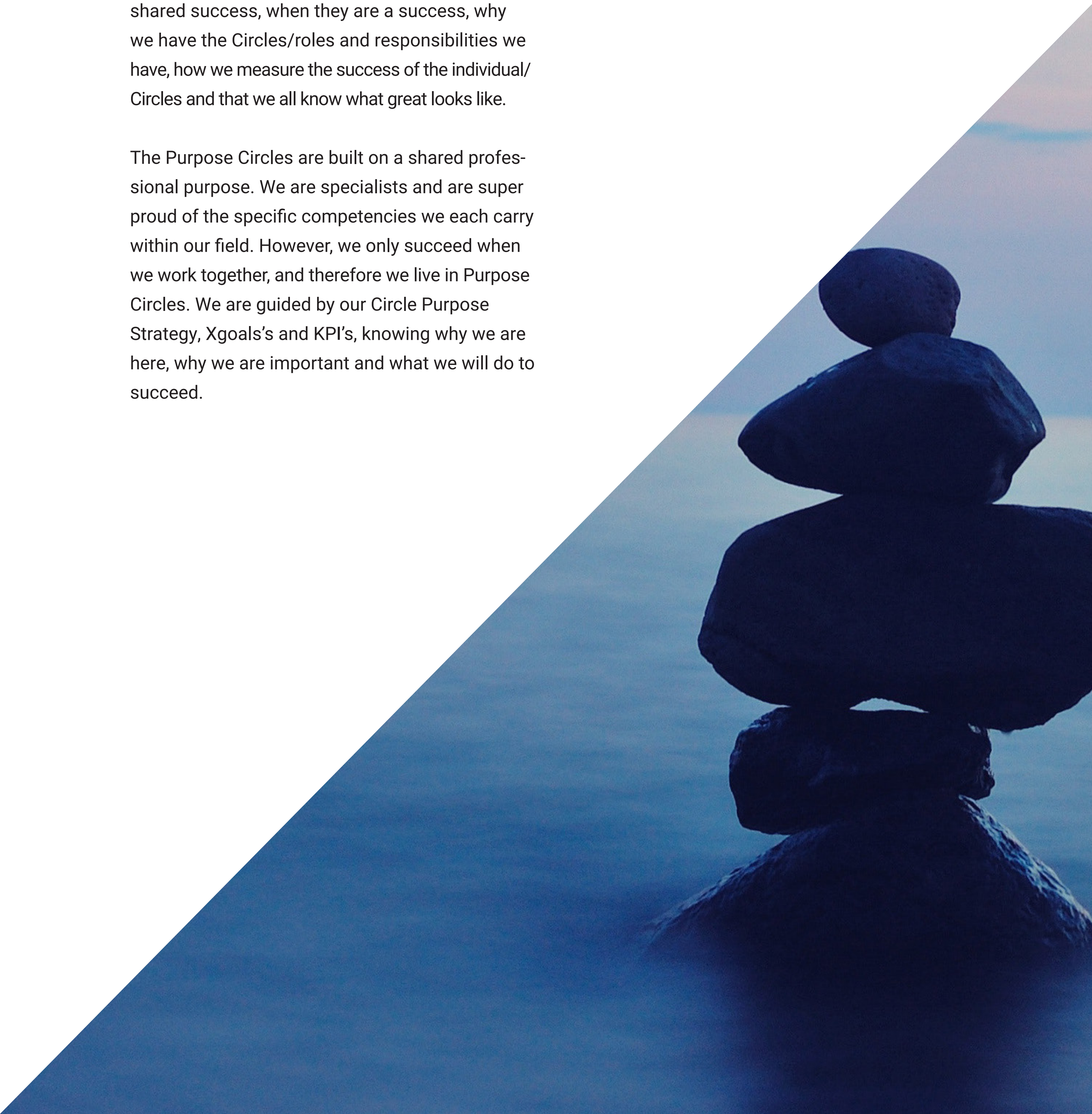
PURPOSE CIRCLES

At TimeXtender we are powered by a Purpose Circle organization, a network of empowered teams, with a flat structure and accountable roles - we call these teams Purpose Circles. The Purpose Circles are born to optimize cross-organizational teamwork, communication, faster decision-making and execution power. We constantly stretch for amazing by challenging the traditional hierarchical organization, removing the middle management layer that hinders effective communication and decision-making, and causing bottlenecks. We create execution power!

We believe that this way of organizing ourselves supports innovative thinking and new ideas in the best way possible and then it all comes down to direction, alignment and commitment to our shared long-term Core Purpose Strategy.

All Xpeople are organized in Purpose Circles and have their own Circle Purpose Strategy that aligns with our Core Purpose Strategy. We want it to be clear to each Xperson how they contribute to shared success, when they are a success, why we have the Circles/roles and responsibilities we have, how we measure the success of the individual/ Circles and that we all know what great looks like.

The Purpose Circles are built on a shared professional purpose. We are specialists and are super proud of the specific competencies we each carry within our field. However, we only succeed when we work together, and therefore we live in Purpose Circles. We are guided by our Circle Purpose Strategy, Xgoals's and KPI's, knowing why we are here, why we are important and what we will do to succeed.



CORPORATE GOVERNANCE

COMPANY INFORMATION

The Company
Timextender A/S
Hedeager 5
DK-8200 Aarhus N

Business Registration No.: 29216711
Registered Office: Aarhus

Date of incorporation: November 24th, 2021
Financial year: 01.07.2020 – 30.06.2021

Board of Directors
Torben Frigaard Rasmussen, Chairman
Christian Alexander Geertsen
Birgit Krog-Iversen

Executive Board
CEO, Heine Krog Iversen
CFO, Klaus Vang

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

STATEMENT BY MANAGEMENT

The Board of Directors and Executive Board have today considered and approved the annual report for the financial year 01.07.2020 – 30.06.2021 for TimeXtender A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations and cash flows for the financial year 01.07.2020 – 30.06.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 24.11.2021

Executive Board

Heine Krog Iversen
CEO

Klaus Vang
CFO

Board of Directors

Torben Frigaard Rasmussen
Chairman

Birgit Krog-Iversen
Board Member

Christian Alexander Geertsen
Board Member

Indepent Auditor's Report

To the shareholders of TimeXtender A/S

Opinion
We have audited the financial statements of Timextender A/S for the financial year 01.07.2020 - 30.06.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations and cash flows for the financial year 01.07.2020 - 30.06.2021 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations or has no realistic alternative but to do so.

Auditors responsibility for the audit of the financial statements
Our objectives are to obtain reasonable assurance about 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 these financial statements.
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement

and maintain professional scepticism throughout the audit.
We also:
• 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aarhus, 24.11.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach
State Authorised Public Accountant
Identification No (MNE) mne19691

Steen Andersen
State Authorised Public Accountant
Identification No (MNE) mne27730

FINANCIAL STATEMENT

INCOME STATEMENT

	Notes	2020/21 DKK	2019/20 DKK
Revenue	1	45,036,724	40,722,689
Other operating income	2	(19,630,717)	(19,913,667)
Other external expenses	3	(12,697,972)	(14,769,478)
Gross profit/loss		**12,708,035**	**6,039,544**
Staff cost	4	(21,481,922)	(23,282,082)
Depreciation, amortisation and impairment losses		(3,534,994)	(3,402,598)
Operating profit/loss		**(12,308,881)**	**(20,645,136)**
Other financial income	5	89,400	276,565
Other financial expenses	6	(438,753)	(1,744,245)
Profit/loss before tax		**(12,658,234)**	**(22,112,816)**
Tax on profit/loss for the year	7	2,997,767	906,231
Profit/loss for the year		**(9,660,467)**	**(21,206,585)**
Proposed distribution of profit and loss			
Retained earnings		(9,660,467)	(21,206,585)
Proposed distribution of profit and loss		**(9,660,467)**	**(21,206,585)**

BALANCE SHEET

Assets

	Notes	2020/21 DKK	2019/20 DKK
Completed development projects	8	9,964,662	9,906,069
Intangible assets	9	**9,964,662**	**9,906,069**
Other fixtures and fittings, tools and equipment		11,548	49,725
Property, plant and equipment	10	**11,548**	**49,725**
Investments in group enterprises		22,199,812	22,199,812
Financial assets	**11**	**22,199,812**	**22,199,812**
Fixed assets		**32,176,022**	**32,155,606**
Trade receivables		10,005,451	8,094,182
Receivables from group enterprises		2,336,037	3,049,445
Other receivables		1,010,978	944,985
Income tax receivable		906,231	906,231
Joint taxation contribution receivable		2,997,767	0
Prepayments		753,427	169,223
Receivables		**18,009,891**	**13,164,066**
Cash		**1,630,784**	**46,887**
Current assets		**19,640,675**	**13,210,953**
Assets		**51,816,697**	**45,366,559**

Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital	12	44,000,000	44,000,000
Reserve for development expenditure		7,772,436	9,552,049
Retained earnings		(48,144,889)	(85,371,323)
Equity		**3,627,547**	**(31,819,274)**
Debt to other credit institutions		5,036,928	0
Other payables		1,806,299	1,727,327
Deferred income		12,550,966	7,359,371
Non-current liabilities other than provisions	13	**19,394,193**	**9,086,698**
Bank loans		0	38,304,732
Prepayments received from customers		143,660	474,966
Trade payables		886,192	1,075,150
Payables to group enterprises		2,633,634	2,466,836
Other payables		4,604,542	6,951,911
Deferred income		20,526,929	18,825,540
Current liabilities other than provisions		**28,794,957**	**68,099,135**
Liabilities other than provisions		**48,189,150**	**77,185,833**
Equity and liabilities		**51,816,697**	**45,366,559**

STATEMENT OF CHANGES IN EQUITY

	Contributed Capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	44,000,000	9,552,049	(85,371,323)	(31,819,274)
Group contributions etc	0	0	45,000,000	45,000,000
Other entries on equity	0	0	107,288	107,288
Transfer to reserves	0	(1,779,613)	1,779,613	0
Profit/loss for the year	0	0	(9,660,467)	(9,660,467)
Equity end of year	**44,000,000**	**7,772,436**	**(48,144,889)**	**3,627,547**

Other statutory reserves exclusively consist of a reserve for development costs.

In FY21 positive equity was restored with a group contribution. With massive improvements in profit over the last years, Management has concluded that improvements will continue and strengthen equity over the next years.

CASH FLOW STATEMENT FOR 2020/2021

	Notes	2020/21 DKK	2019/20 DKK
Operating profit/loss		(12,308,881)	(20,645,136)
Amortisation, depreciation and impairment losses		3,534,994	3,378,537
Working capital changes	14	(4,469,922)	(54,199,190)
Deferred income changes		6,892,984	5,472,820
Cash flow from ordinary operating activities		**(6,350,825)**	**(65,992,969)**
Financial income received		89,400	276,565
Financial expenses paid		(438,753)	(1,744,244)
Taxes refunded/(paid)		0	1,723,157
Cash flows from operating activities		**(6,700,178)**	**(65,737,491)**
Acquisition etc of intangible assets		(3,555,411)	(4,119,232)
Sale of property, plant and equipment		0	24,192
Other cash flows from investing activities		107,287	0
Cash flows from investing activities		**(3,448,124)**	**(4,095,040)**
Free cash flows generated from operations and investments before financing		**(10,148,302)**	**(69,832,531)**
Loans raised		5,036,928	0
Repayments of loans etc		(38,304,729)	(942,759)
Cash increase of capital		45,000,000	69,500,000
Cash flows from financing activities		**11,732,199**	**68,557,241**
Increase/decrease in cash and cash equivalents		**1,583,897**	**(1,275,290)**
Cash and cash equivalents beginning of year		46,887	1,322,177
Cash and cash equivalents end of year		**1,630,784**	**46,887**
Cash and cash equivalents at year-end are composed of:			
Cash		1,630,784	46,887
Cash and cash equivalents end of year		**1,630,784**	**46,887**

Management has concluded that positive cashflow next year and years to come will increase solvency further.

NOTES

1 Revenue
2 Other operating income
3 Other external expenses
4 Staff costs
5 Warrant Programme 2021
6 Other Finanical income
7 Other Finanical expenses
8 Tax on profit/loss for the year
9 Intangible assets
10 Development projects
11 Property, plant and equipment
12 Financial assets
13 Share Capital
14 Non-current liabilities other than provisions
15 Changes in working capital
16 Unrecognised rental and lease commitments
17 Contingent assets
18 Contingent liabilities
19 Assets charged and collateral

1 Revenue

	2020/21 DKK	2019/20 DKK
Subscription	27,079,586	17,398,981
Annual Maintenance	7,720,720	7,692,482
OEM & Solutions	8,971,739	11,349,023
Professional Services	1,264,679	4,282,203
Total revenue by activity	**45,036,724**	**40,722,689**

Revenue from subscriptions, annual maintenance on historical customer portfolio and OEM agreements are all considered recurring revenue although only subscriptions are considered in the ARR terminology used in the Management Commentary.

2 Other operating income

Other operating income covers the transfer pricing agreement between TimeXtender A/S and TDCNA Inc. which is a cost + agreement leaving a net income for TDCNA Inc. in FY21 of 936,109 DKK.

3 Other external expenses

Other external expenses covers external expenses which are both part of TimeXtender's normal operations as well as cost outside the normal operations, in our consolidated income statement in Management Commentary classified as extraordinary expenses. This includes effort related to the establishment of a warrant program.

4 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	23,001,229	24,854,976
Pension costs	1,777,327	2,255,086
Other social security costs	258,776	291,252
	25,037,332	**27,401,314**
Staff costs classified as assets	(3,555,410)	(4,119,232)
	21,481,922	**23,282,082**
Average number of full-time employees	36	39

5 Warrant Programme 2021

The company introduced a warrant programme in 2021 aimed at Xpeople and members of the board. The board of directors is until June 30th, 2024, authorized at one or more times to issue warrants to members of the board of directors and executive management and employees, advisors and consultants of the company or its subsidiaries entitling the holder to subscribe for shares for a total of up to nominal value of DKK 3,000,000 without pre-emptive subscription rights for the company's shareholders.

Specification of warrants:

Number of warrants	Weighted average exercise price DKK	Board	Key Management Personnel	Employees	Total
Outstanding at 01.07.2020		0	0	0	0
Granted 25.06.2021	1.00	211,200	1,386,000	686,400	2,283,600
Exercised FY21		0	0	0	0
Cancelled FY21		0	0	0	0
Outstanding at 30.06.2021		**211,200**	**1,386,000**	**686,400**	**2,283,600**

Outstanding warrants have the following characteristics:

Warrants outstanding	Weighted average exercise price DKK	Vesting period	Exercise period	2020	2021
Warrants granted in 2021	1.00	July 2021 - July 2024	Oct 2030 - Dec 2030	0	2,283,600
Outstanding at 30.06.2021					**2,283,600**

6 Other Financial Income

	2020/21 DKK	2019/20 DKK
Financial income from group enterprises	89,400	73,768
Exchange rate adjustments	0	202,797
	89,400	**276,565**

7 Other Financial expenses

	2020/21 DKK	2019/20 DKK
Other interest expenses	237,711	1,744,245
Exchange rate adjustments	201,042	0
	438,753	**1,744,245**

8 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Current tax	0	(906,231)
Refund in joint taxation arrangement	(2,997,767)	0
	(2,997,767)	**(906,231)**

9 Intangible assets

	Completed Development Projects DKK
Cost beginning of year	27,885,560
Additions	3,555,410
Cost end of year	**31,440,970**
Amortisation and impairment losses beginning of year	(17,979,491)
Amortisation for the year	(3,496,817)
Amortisation and impairment losses end of year	**(21,476,308)**
Carrying amount end of year	**9,964,662**

10 Development projects

Development projects comprise current costs for development of the software product TimeXtender. The costs comprise payroll costs for employees directly attributable to areas of the TimeXtender that are expected to generate future earnings for TimeXtender A/S.

Based on an assessment of the development projects, Management has concluded that the carrying amount can be maintained without indication of impairment.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,379,442
Cost end of year	**1,379,442**
Depreciation and impairment losses beginning of year	(1,329,717)
Depreciation for the year	(38,177)
Depreciation and impairment losses end of year	**(1,367,894)**
Carrying amount end of year	**11,548**

12 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	22,199,812
Cost end of year	**22,199,812**
Carrying amount end of year	**22,199,812**

Investments in subsidiaries	Registered in	Corporate Form	Equity interest %
TDCNA Inc.	Portland, USA	A/S	100

13 Share Capital

	Number	Par value DKK	Norminal value DKK
Ordinary shares	44,000,000	1	44,000,000

14 Non-current liabilities other than provisions

	Due after More than 12 months 2020/21 DKK
Debt to other credit institutions	5,036,928
Other payables	1,806,299
Deferred income	12,550,966
	19,394,193

15 Changes in working capital

	2020/21 DKK	2019/20 DKK
Increase/decrease in receivables	(1,848,058)	1,920,505
Increase/decrease in trade payables etc	(2,621,864)	(56,119,695)
	(4,469,922)	**(54,199,190)**

16 Unrecognised rental and lease commitments

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	**2,516,410**	**2,707,444**

17 Contingent assets

The Company has total tax assets of a tax base of DKK 47,204 k which are not recognised in the financial statements due to the uncertainty of utilising the tax assets.

18 Contingent liabilities

The Entity participates in a Danish joint taxationarrangement where BKI Holding ApS serves as the administration company. According to the joint taxation provisions ofthe Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities.

19 Assets charged and collateral

Bank debt and loans from Vækstfonden are secured on a registered all-monies mortgage with a floating charge of DKK 14,500k on goodwill, rights, operating equipment, fixtures and fittings, inventories and unsecured claims.

ACCOUNTING POLICIES

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, however with some reclassifications.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.
Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.
Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and

intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The used amorisation period is 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.
The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment
3-5 years.

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term bank loans.

BECAUSE TIME MATTERS

TIMEXTENDER