

Stibo Systems A/S

Axel Kiers Vej 11, DK-8270 Højbjerg

CVR No. 35 82 26 90

Annual report 2021/22

Approved at the Company's annual general meeting on 28 June 2022

Chairman:

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Stibo Systems A/S for the financial year 1 May 2021 - 30 April 2022.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 April 2022 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 May 2021 - 30 April 2022.

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

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

Højbjerg, 28 June 2022
Executive Board:

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Adrian Neil Carr
CEO

Board of Directors:

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Jeppe Meulengracht Fogh
Chairman

.....
Adrian Neil Carr

.....
Kathrine Ravn Stougaard

Independent auditors' report

To the shareholders of Stibo Systems A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Stibo Systems A/S for the financial year 1 May 2021 - 30 April 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both 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 30 April 2022 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 May 2021 - 30 April 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Aarhus, 28 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis
State Authorised
Public Accountant
mne32732

Management's review

Company details

Name	Stibo Systems A/S
Address	Axel Kiers Vej 11, DK-8270 Højbjerg
CVR no.	35 82 26 90
Registered office	Aarhus
Financial year	1 May - 30 April
Website	www.stibosystems.com
Telephone	+45 89 39 11 11
Board of Directors	Jeppe Meulengracht Fogh, Chairman Adrian Neil Carr Kathrine Ravn Stougaard
Executive Board	Adrian Neil Carr, CEO
Auditors	EY Godkendt Revisionspartnerselskab Vaerkmestergade 25, DK-8100 Aarhus C

Management's review

Financial highlights

Amounts in DKK'000

Consolidated profit and loss statement	2021/22	2020/21	2019/20	2018/19	2017/18
Revenue	918,950	753,700	696,850	666,866	612,994
Gross profit	635,241	548,311	444,079	450,872	440,525
EBITDA	33,977	21,407	9,418	45,535	25,976
Operating profit	24,387	12,364	-75,460	8,117	44,302
Profit from financial income and expenses, net	-797	-1,819	469	2,860	267
Profit before tax	23,590	10,545	-74,991	10,977	44,569
Profit for the year	22,961	21,649	-61,876	5,016	31,139

Consolidated balance sheet

Non-current assets	40,723	40,728	45,807	5,747	2,370
Current assets	650,353	547,452	475,227	503,451	521,206
Total assets	691,076	588,180	521,034	509,198	523,576
Equity	200,086	202,890	185,319	248,704	274,938
Provisions	834	1,436	4,346	1,311	2,751
Current liabilities	490,156	383,854	323,838	259,183	245,887

Key figures and ratios

Investments in tangible assets	5,487	6,676	40,479	4,758	2,452
Operating margin	2.7%	1.6%	-10.8%	1.2%	7.2%
Return on invested capital	5.8%	3.3%	-19.2%	2.4%	14.1%
Gross margin	69.1%	72.8%	63.7%	67.6%	71.9%
Solvency ratio	29.0%	34.5%	35.4%	50.7%	52.5%
Return on equity	11.4%	11.2%	-28.5%	1.9%	11.9%
Average number of employees	735	687	543	467	439

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Stibo Systems helps leading enterprises, primarily in the Retail, Manufacturing, CPG and Distribution sectors transform into digital leaders through the implementation of world leading Master Data Management software. This software manages critical data components requiring strict governance such as product information, customer and supplier details thus allowing digital transformation programmes to build on a solid foundation.

Stibo Systems delivers the solution in the form of Software as Service (SaaS) subscription contracts. Nearly all new customers decide for this approach while existing customers are migrating to the service (SaaS) platform. The impact of this subscription framework on revenue is negative in the short term and very positive in the long term as previous one off, on-premises transactions change to multi-year service contracts. The programme to transform to a SaaS business is well underway and is driven by the Executive Management team.

After a disappointing order intake in the 3 first quarters of the year, Stibo Systems A/S realised an increase in the order intake for licences of 8% in the financial year 2021/22 compared with the last financial year. The reorganization of the go-to-market organisation resulted in an improvement in the final quarter of the year.

Due to a significantly higher number of licenses on a subscription basis, the effect on the volume of orders is higher than on revenue for the year.

Revenue for the year increased by 22% to DKK 918.9 million. The order backlog at the end of the year increased by 34.4% to DKK 1,298 million.

The increase in revenue combined with a tight cost control implied an increase in profit for the year (EBITDA), which thus totals DKK 34.4 million which is below expectations communicated in previous financial statements. In the financial year, developing solutions for our customers continued at a high level. This trend is expected to continue in the coming years.

The order backlog book for licenses and support agreements increased by approx. DKK 320 million since the beginning of the financial year 2021/22, and therefore, expectations for the future growth in revenue and earnings development are positive.

During FY 21/22, Stibo Systems completed a re-organization to globalise the go-to-market organisation. There are 4 geographical regions; EMEA, North America (NA), Latin America (LATAM) and Asia Pacific (APAC), each with dedicated sales teams and supported by field technical resources from the global Delivery (Professional Services) and Pre-Sales teams. The model provides clear accountability, improved scalability whilst ensuring that skills and best practise evolve globally.

DKK'000	Software (Perpetual)	Software (SaaS)	Professional Services	Support	Total order backlog
Backlog beginning of period	6,873	454,731	80,224	416,792	958,622
Order intake	44,698	435,676	321,438	456,811	1,258,623
Order revenue	44,440	212,664	268,629	397,217	918,950
Backlog end of period	11,131	677,744	133,033	476,387	1,298,295

Events after the balance sheet date

No events have occurred after the balance sheet date that could significantly affect the financial statements presented.

Management's review

Outlook

Stibo Systems A/S expects an EBITDA in the range of DKK 140-150 million and a revenue increase of 20 % in the coming financial year.

Particular risks

Currency risks

The Group is exposed to changes in exchange rates as most of the Group's revenue is settled in foreign currencies.

Interest rate risks

Due to its equity ratio and financial resources, the Group is only exposed to changes in the interest rate level to a minor extent.

Credit risks

Before new business relations are initiated, a credit rating of the customer is made, and if appropriate and possible, credit risks are hedged by means of insurances with credit insurance companies. The Group reduces credit risks by issuing progress billings as work progresses.

Statutory corporate social responsibility statement under section 99a of the Danish Financial Statements Act

For Stibo Systems, corporate social responsibility (CSR) and environmental consciousness is more than an expression of our values. It is an integral aspect of our purpose, and has been so since the beginning, starting with our roots as a commercial printer founded in 1794.

Stibo Systems helps leading enterprises, primarily in the Retail, Manufacturing, CPG and Distribution sectors transform into digital leaders through the implementation of world leading Master Data Management software. This software manages critical data components requiring strict governance such as product information, customer and supplier details thus allowing digital transformation programmes to build on a solid foundation.

As we move ahead, our purpose will be to make data transparency a catalyst for better business for a better world. In doing so, we are making a commitment to empowering companies across the globe to achieve their own CSR and ESG objectives, delivering data transparency using the world's most versatile MDM solutions.

In addition to facilitating the development and success of our own business activities, and empowering our customers to do the same, our commitment to CSR also contributes to the economic and sustainable development of the communities that are affected by our operations. With that in mind, Stibo Systems abides to a well thought-out CSR policy.

Management's review

Information on corporate social responsibility policies

In accordance with the Danish Financial Statement Act §99 a, Stibo Systems has enhanced our commitment towards a better world. Not only through empowering data transparency with Master Data Management, but by constantly reflecting on our actions to ensure that we make the right decision - ethically, environmentally, and socially. These decisions are being made in the daily work in all organizational levels. To ensure alignment throughout the organization the CSR Policy embraces the business values and strategy which Stibo Systems represents. The CSR Policy is communicated to all employees and other stakeholders through the company website and internal communication tools.

Stibo Systems defines CSR as adhering to standards ensuring that its activities are carried out in an ethically, socially, economically, and environmentally sustainable manner. Stibo Systems' activities can potentially have an impact on a wide array of cultures, religions, ethnicities, provinces, territories, and nations. We understand that responsible corporate behavior is to facilitate the development and success of our business activities within the technology space while also contributing to the economic and sustainable development of communities that are affected by our operations.

In alignment with our company code of conduct Stibo Systems therefore:

- Complies with all applicable local and international laws, including the international human rights standards of the United Nations. Stibo Systems will not tolerate any human rights violations or abuses.
- Carries out its employment practices in accordance with the principles of freely chosen employment. Stibo Systems does not contract with companies that use forced, bonded, exploitive, indentured, or involuntary labor practices. Furthermore, Stibo Systems ensures that protections with respect to child laborers, hours of work, employee wages and benefits, employee treatment, freedom of association, health, and safety are at the forefront of its employee-related policies and practices.
- Does not discriminate and provides equal opportunity for all people regardless of race, gender, age, national origin, religion, disability, appearances, sexual orientation, marital status, or political views.
- Conducts business transactions openly and transparently in accordance with the highest industry set ethical standards and values. Stibo Systems ensures that corporate practices follow company stated business principles in terms of business integrity, anti-bribery and corruption, disclosure of information, protection of intellectual property, fair business practices and the protection of suppliers and employees.
- Develops sustainable business practices and products that limit environmental footprints, including the influence on climate change and when relevant also recycling and water conservation.
- Enriches and engages employees through employee-focused development practices and initiatives aiming to ensure appropriate employee morale and foster a collaborative workplace.
- Actively seeks opportunities to make donations to organizations promoting good causes and initiatives.

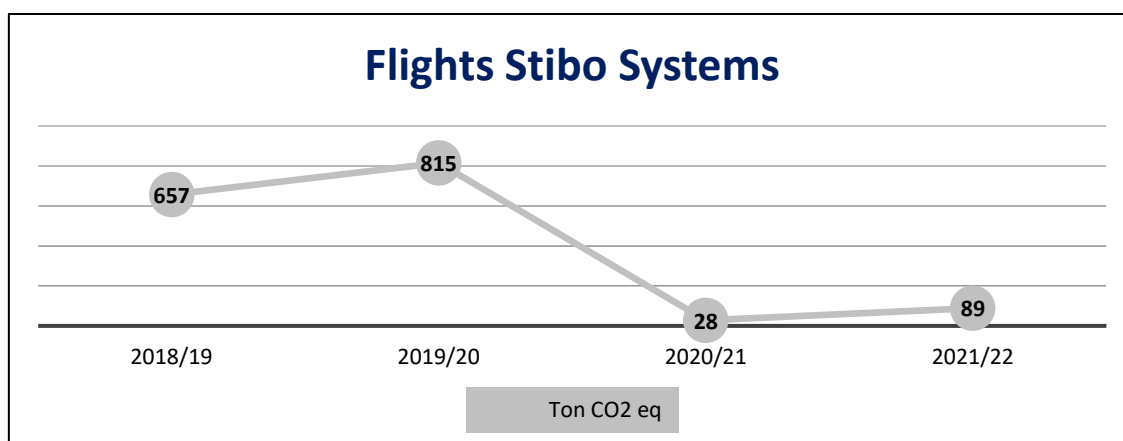
Management's review

Environment

By developing and implementing Master Data Management Software, Stibo Systems does not produce a physical product, meaning we do not have any emissions coming from materials, shipping, etc., but our business model requires a lot of traveling, particularly flying, as our customers and colleagues are located all over the world. Due to Covid-19, traveling has been significantly reduced, which appears in the table below.

Travel activities	Unit	2018/19*	2019/20*	2020/21*	2021/22*
Flights Stibo Systems	Ton CO ₂ eq	657	815	28	89

* Calculated by Travel Agency.



The Covid-19 pandemic allowed us to review our travel policy to make greener travel decisions going forward. The Travel Policy and CSR Policy both strive for a common goal - to be an environmentally and socially conscious organization. To meet this goal, we encourage our employees to conduct meetings virtually and only travel when it is a necessity or business critical. In addition, we are simultaneously creating internal awareness towards becoming a greener and more sustainable traveler by guiding our employees to choose means of transport with less environmental impact and be more considerate and make sustainable decisions during their travel.

In continuation of our software production to deliver integrated solutions that empower data transparency to our customers, our product is produced on our computers. This leads to a great electricity consumption, and the headquarter in Denmark is working towards improving energy efficiency. In the table below, you will find an overview of the energy consumption concerning electricity and space heating from the headquarter in Denmark.

Energy consumption	Unit	2018/2019*	2019/2020*	2020/21*	2021/22*
Electricity	Ton CO ₂ eq	701	689	595	639
Space heating	Ton CO ₂ eq	182	134	127	138
Total	Ton CO ₂ eq	884	823	721	777

* Calculated using ClimateCalc Basic: www.climatecalc.eu.

Management's review

The reduction in total energy consumption may partly be due to Covid-19, as employees have been working from home most of the year, however, the headquarter has never been completely closed. Though, with a fixed consumption of space heating which is not much affected by employees working from home, the heating costs have been steadily reduced over the years.

By adjusting and improving our energy sources, we manage to reduce the energy consumption by controlling the space heating automatically in the headquarters.

In continuation of our energy consumption, we indirectly have an impact on the environment through our cloud operations, which constitutes a large part of our energy consumption. However, we will continue to investigate opportunities for reducing our energy consumption both in cloud operations and other consumption sources.

Within the area of environment, Stibo Systems is experiencing a new trend with potential talents and customers. Climate change and environment are topics that generate an increased interest and importance in our everyday life, and this is expected to increase over time. The generations who are now entering the labor market have higher demands on organizations and their green profile.

Hence Stibo Systems observes a great opportunity by expanding our existing Global CSR policy with a new ESG strategy 2030. The strategy will be rolled out with the scope: We will define sustainability in our industry and deliver the absolute highest and most accurate standard of data security and data privacy within four core areas. 1) We will reduce our climate impact, 2) We will become the most attractive and valued employer in our industry, 3) We will play an active role in our society and support development in local communities and 4) We will encourage and enable our customers to meet their sustainability targets.

An increasing number of prospects ask questions in their proposal requests around topics of sustainability and Stibo Systems' footprint, underlining the need for CSR and ESG initiatives.

Human rights

By following the principles of the UN's Global Compact Stibo Systems supports and respects the protection of internationally proclaimed human rights. This is supported by the respective national laws on human rights, which our activities of operations in Denmark and the rest of the world are governed by. We strive to meet and set high standards, therefore it has been decided to use the Danish standards as guidelines, if or when local requirements are considered less demanding.

As a global organization, we provide safe and healthy working conditions in all business units as well as support all cultures and cultural activities. Additionally, Stibo Systems pursues equal rights for all genders, races, nationalities, ethnicities, and religions - and we actively discourage harassment and discrimination within our organization, together with human rights abuse.

For employees to report concerns of discrimination, illegal or criminal activities, serious violations of internal guidelines or policies, etc., an externally controlled whistleblower scheme is available. This is established to prevent the above-mentioned actions and protect and encourage employees to come forward under the whistleblower policy.

Risk

Stibo Systems contributes to climate change through our CO₂ emissions. This contribution cannot be avoided, which is why our action today matters. Also, with an expected increase in legislation on environmental requirements for corporations, we want to prepare ourselves to meet such requirements.

Risk

Stibo Systems supports and respects internationally proclaimed human rights. In case any our customers or partners do not support the Universal Declaration of Human Rights, it may indirectly affect the organization.

Management's review

Social conditions and employee relations

We, at Stibo Systems, see our employees as the cornerstones of our business, which is why we continuously seek to gain insights from the employees' satisfaction levels. This is achieved through engagement surveys, amplifying the voice of our employees. The employees' engagement is measured based on various drivers such as workload, autonomy, and recognition. With a 92% participation rate and more than 6,500 comments, the latest survey gave us indispensable insight, as well as the opportunity to devise initiatives supporting different regions and tenures. Stibo Systems will in 2022/23 continue to follow and support the UN's Global Compact.

In continuation of the UN's Global Compact, Stibo Systems supports the elimination of all forms of forced and compulsory labor. As a global organization, we write our employment contracts in the native language of the employee. This prevents misunderstandings and ensures that the employee understands the scope of the employment, as well as the scope of and procedures for leaving the position. Additionally, it is important for us to do business with honesty and integrity, and we do not use child labor or forced labor anywhere in the supply chain and recognize the employee's right to freedom of association and collective bargaining.

We recognize that we are working within a predominantly male-dominated industry, so we encourage females to code and pursue a career in the technology sector through different CSR initiatives. When we, at Stibo Systems, are recruiting new talents, we always look for the best fit for the job. By offering equal employment opportunities, the decision is based on qualifications, skills, experience, and personality, whereas gender, age, race, religion, political views, etc., do not impact nor influence the recruitment process.

In 2021/22, there has not reported any violations of guidelines and policies, discrimination, illegal or criminal activities.

Stibo Systems will in 2022/23 continue to follow and support the UN's Global Compact

Risk

As a global organization, we associate with a lot of different cultures and traditions in different time zones, which naturally creates challenges for making everyone feel included.

To support our Vision 2025, we strive to increase the workforce by +10% each year. This is a great challenge for the business units globally as well as the organization in general to continually focus on the current employees' happiness and motivation, while onboarding many new colleagues. We are focused on diversifying our staff and especially our leadership positions where at least 22% of our leadership must be female within the FY 22/23.

As most of the work performed this fiscal year came from our employees working from home, we have been aware of the risk of unmotivated employees, as well as having employees struggling to work from home due to different Covid-19 related reasons (internet connectivity, food supply, homeschooling, etc.). To support our employees, people leaders have been encouraged to be aware of and discuss the personal wellbeing of employees in relation to performing their work.

Management's review

Anti-corruption

Stibo Systems conforms to a zero-tolerance policy regarding corruption, extortion, and bribery in every business activity. We encourage all employees to contact their local management or use the whistleblower scheme if they sense any kind of misconduct or red flags.

All economic activities in Stibo Systems are subject to the accounting laws of Denmark. Activities in the rest of the world are subject to the respective national accounting laws, including the obligation to endorse the accounts by an external auditor. Regardless of local requirements for audits, Stibo Systems will only work with accountants and/or auditors that are affiliated with an organization that is internationally recognized for its professional standards.

A procedure for procuring is established which ensures that no individual can make a sale of the organization's services or make any major purchases without going through at least two layers of approval. Investments must always be approved by the Board of Directors of Stibo Systems before starting, as well as significant merger and acquisition decisions always need to be approved by the Board of Directors of Stibo A/S (parent company).

Risk

The main risk concerning corruption lies within the purchase and sales department, as they are in contact with people from outside the organization, where bribes may occur. Due to our two-person principle, documentation requirements, and external control via auditors, we feel confident in our model and practice, and we have not identified any incidents of corruption or bribery.

Stibo Systems have not identified any incidents of corruption or bribery in 2021/22 and we expect the same result in 2022/23.

Implementation, including due diligence processes

Covid-19

Moving into an everyday life where Covid-19 is not a disease that is a critical threat to society anymore allows reflecting on what Stibo Systems has learned from the past two years. As a global organization, our business units were affected by the different waves and mutations of Covid-19 at different times. To manage the situation at an organizational level as well as provide clear guidelines, our Covid-19 Contingency Plan and Covid-19 Task Force were announced, along with local Covid-19 Teams at all office locations.

Throughout the pandemic, we learned new ways of working and demonstrated the ability to stay agile and adapt to local restrictions. It has resulted in, among other things, meeting colleagues, customers, and partners virtually, as well as an increase in collaborations across the globe and business units. Additionally, the maintenance of work-life balance has been and continues to be a high priority task, and we are looking at ways to continue to support flexibility and a healthy work-life balance for the employees.

Management's review

Projects conducted throughout 2021/2022

Despite the challenges and limitations of the pandemic, our CSR ambassadors have managed - together with the contributing employees - to adjust and find ways to support their local communities. This has been done through the newly launched Volunteering Program, allowing every employee to make a difference in their local community by letting them work up to 2 days with an organization or project.

Below are some selected CSR initiatives conducted in 2021/2022. The CSR initiatives have been allocated to one of three headlines - Environmental Preservation and Sustainability, Technology Education, and Community Support.

Environmental Preservation and Sustainability

Denmark - Wildflower Garden

With a view of an industrial environment and a lawn at headquarters in Aarhus, there was a need to bring some colors to the view. A gardener helped the initiators transform part of a large, green lawn into a wildflower patch, thereby supporting and bringing wildlife and biodiversity into the city.

Denmark - Installation of EV charging stations

To articulate the new Danish legislation of installing at least 1 EV charging station in car parks before 2025, 6 EV charging stations have been installed at the car park at the headquarters in Aarhus. Additionally, through our car policy, we endorse the employees to choose an environmentally friendly vehicle, as the goal is for all Stibo Systems company cars to be eco-friendly before 2025.

Technology Education

Global - International Girls in ICT Day

International Girls in ICT (Information and Communications Technology) aims to inspire a global movement to increase the representation of girls and women in the technology sector. A global social media initiative was conducted to create awareness, celebrate, and encourage young women worldwide to pursue an education and career within the technology sector. This initiative was posted on the Stibo Systems LinkedIn account to get people to interact and comment on the post, as Stibo Systems donated \$1 for every comment posted to the nonprofit organization Girls Who Code.

India - Finishing School Program

The Indian CSR team conducted their second Finishing School Program for underprivileged students. In this year's program, 6 participants attended the entire course over 5 days and finally received completion certificates.

The participants covered the topics of customer support, cloud fundamentals, and interpersonal skills. Firstly, the students were introduced to the customer-support environment, as well as given transparent insights into what it means to work with support. Next, the cloud fundamentals stretched over two days and included online training, assignments, and lab sessions. In this course, the students gained technical knowledge supporting both students who are interested in cloud computing as well as students who would like to get involved in selling or supporting cloud products, solutions, and services. Lastly, the participants covered a soft skills session. Here the headlines were how to clear interviews, as well as the required approach in handling the interview process and how it might differ for different organizations in India.

In closing, the participants received gifts for Udemy online courses. This contains four courses, selected by all participants of their interest, to help the students achieve the full benefits of the courses.

Management's review

Community Support

Global - Plant a tree for every new hire

Starting February 2022, we have partnered with an external company, Treedom, to plant a tree for every new hire. 30 trees are planted as of 25th May 2022. The trees chosen are fruit bearing trees that support the livelihood of farmers in communities within Africa and South America. The trees are measured for negating CO2 emissions.

India - Covid-19

The Indian CSR team wanted to help fight Covid-19, and within a few days, the Indian business unit raised Rs 91,500, and Stibo Systems donated the same amount to match the overall contribution, resulting in a total raise of Rs 183,000. The Indian CSR team teamed up with the NGO Yuva Spoorthy Foundation, which provides relief as a free service to the affected. The Yuva Spoorthy Foundation provides a passenger vehicle, which can convert into a makeshift ambulance, with oxygen and patient transportation facilitated in the city.

The donation was utilized to equip an ambulance with two oxygen concentrators, battery, wheelchair, I V Stand, Oximeter, Fire Extinguisher, Staff Safety Accessories - PPE Kit/Gloves/Masks Etc., First Aid Kit, BP Machine, Audio System.

US - Meals on Wheels

A group of employees from the business unit in Atlanta volunteered for the program Meals on Wheels, which delivers meals to individuals at home who are unable to purchase or prepare their own meals. Meals on Wheels operates in every community in the US, and when Covid-19 hit, millions of older adults found themselves more vulnerable and in need of urgent support.

The volunteer's function was to load up meals onto other volunteer cars for distribution to seniors in need in their local community.

Netherlands - Salvation Army

The Salvation Army located in Amsterdam accommodates single men and women of different ages without residence permits. The inhabitants are considered vulnerable and have physical or psychological conditions, with some being victims of human trafficking or war with traumatic consequences, but also people who are disabled.

In consultation with the Salvation Army, the business unit in Amsterdam provided sports equipment with which they can exercise and relax together at the Salvation Army premises. Some of the equipment the team provided was a picnic table, volleyball court, badminton set and boxing gear. The team spent most of the day cleaning up their outdoor area making it ready for outdoor activities.

UK - Gifts for vulnerable children this Christmas time

The business unit in Reading teamed up with the local recruitment firm Roc Search to help spread some Christmas joy and light for vulnerable children. Through the charity Reading Family Aid, our UK team donated toys or money towards toys for vulnerable children in the Reading community. The Reading Family Aid charity aims to offer families who are in need some relief from their harsh day-to-day realities. According to The End Child Poverty Coalition, 24% of the children in Reading were in 2016 living in poverty, which comes down to 10,000 children. Therefore, the UK team could give back to their local community and make Christmas more magical for some of the vulnerable children in Reading.

Management's review

Results and expectation for the work ahead

Environmental, Social, and Governance (ESG) Strategy for Stibo Group

An ESG strategy is formulated, embracing the entire Stibo Group. To submit a positive impact on our environment, society, customers, and not least employees, collaboration across all divisions in Stibo and continual dialog in the group of stakeholders is required.

The ESG strategy encompasses and aligns with our CSR program, the United Nations Sustainable Development Goals, and supports the Paris Agreement on climate change. A group of stakeholders from different divisions and positions completed a double materiality assessment, leading to a set of ambitious KPIs. They also developed a sustainability action plan to achieve targets, based on the foundation of global policies and standards, management systems, and responsible supply chain management.

The ESG program and related KPIs will be officially launched and communicated at the start of the new fiscal year in May 2022.

EcoVadis Program

Stibo Systems was awarded a bronze medal in recognition of our sustainability achievement in the EcoVadis assessment. This was based on our policies, actions, and published reports concerning the themes of Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. The results and knowledge from the assessment report contributed to the configuration of KPIs within our ESG strategy. The output was also used to ensure alignment and a more structured and strategic approach towards our CSR program. It has been decided to complete the assessment again in 2022 to reflect Stibo Systems' continuous improvements and drive further action.

Data Ethics Policy paragraph 99 d of the Danish Financial Statement Act

Stibo Systems acknowledges the responsibility to handle data and access it with care and in compliance with legal requirements. As data is the focal point of Stibo Systems' products, it is crucial that our customers and partners have confidence in our data handling. To ensure alignment and compliance on why, where, and how data is being handled, a set of data ethics principles have been formulated in the Data Ethics Policy and communicated throughout the organization. The data ethics principles address how data is collected, stored, accessed, and protected, as well as how we meet our privacy requirements.

Stibo Systems core activities does not include data gathering or processing, apart from hosting and supporting customer data, and therefore the description of data types and technical and organizational measures (TOMs) are included directly in contracts with customers and partners.

Management's review

Goals and policies for the underrepresented gender under section 99b of the Danish Financial Statements Act

Board of Directors

In selecting new candidates for Stibo Systems' Board of Directors, emphasis is placed on specific professional and personal skills, qualifications, and experience. Stibo Systems believes that a diverse and versatile composition of the board, including the gender distribution, contributes to an innovative organization and a positive working climate. Stibo Systems has the objective of extending, as far as possible, the number of women in the board. Stibo Systems has a goal that one of the members of the Board of Directors elected by the General Assembly should be a woman (representing 33% of the board members elected by the General Assembly) before 2025.

The status in 2022 is that the board consists of 3 members elected by the General Assembly. The status in 2022 is that the board consists of 3 male members elected by the General Assembly. There were no changes in the board in 2021/22.

Stibo Systems management

Stibo Systems has defined an objective of increasing, as far as possible, the number of women in the management; emphasis is placed on specific professional and personal skills, qualifications, and experience. Stibo Systems aspires to have one of each gender represented under final hiring rounds. In 2022, the Executive Management team consists of eight persons of whom two are female and six are men.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Income statement

Note	DKK'000	Consolidated		Parent company	
		2021/22	2020/21	2021/22	2020/21
	Revenue	918,950	753,700	917,943	706,344
2	Other operation income	0	153	0	0
	Raw materials and consumables	-128,835	-70,659	-694,480	-510,382
	Other external costs	-154,874	-134,883	-75,895	-69,412
	Gross profit	635,241	548,311	147,568	126,550
3	Staff costs	-597,606	-523,681	-155,082	-147,339
4	Depreciation, amortisation and impairment losses	-13,248	-12,266	-5,279	-5,220
	Operating profit	24,387	12,364	-12,793	-26,009
10	Profit of group entities after tax	0	0	23,983	24,431
5	Financial income	252	0	663	632
6	Financial expenses	-1,049	-1,819	-262	-254
	Profit before tax	23,590	10,545	11,591	-1,200
7	Tax on profit for the year	-629	11,104	11,370	22,849
	Profit for the year	<u>22,961</u>	<u>21,649</u>	<u>22,961</u>	<u>21,649</u>

Proposed profit allocation

DKK'000			
	Proposed dividends	0	35,000
	Transfer to reserve for net revaluation according to the equity method	23,983	24,431
	Retained earnings	-1,022	-37,782
		<u>22,961</u>	<u>21,649</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

Note	DKK'000	Consolidated		Parent company	
		30 April 2022	30 April 2021	30 April 2022	30 April 2021
		ASSETS			
		Non-current assets			
8	Intangible assets				
	Goodwill	3,201	3,852	3,201	3,852
	Other intangible assets	13,359	13,997	8,647	10,645
		<u>16,560</u>	<u>17,849</u>	<u>11,848</u>	<u>14,497</u>
9	Property, plant and equipment				
	Fixtures and fittings, other plant and equipment	2,298	2,219	114	72
	Leasehold improvements	18,095	18,237	0	0
		<u>20,393</u>	<u>20,456</u>	<u>114</u>	<u>72</u>
	Non-current financial assets				
10	Investments in subsidiaries	0	0	119,258	89,762
	Deposits	3,770	2,423	2,910	2,423
		<u>3,770</u>	<u>2,423</u>	<u>122,168</u>	<u>92,185</u>
	Total non-current assets	<u>40,723</u>	<u>40,728</u>	<u>134,130</u>	<u>106,754</u>
	Current assets				
	Receivables				
	Trade receivables	202,166	141,520	23,640	25,430
11	Contract work in progress	7,089	8,393	3,673	2,911
	Receivables from group entities	122,210	40,722	62,895	69,897
12	Deferred tax asset	53,906	40,852	46,733	39,388
	Corporation tax	4,804	1,193	0	631
	Other receivables	6,564	12,359	3,899	8,467
	Prepayments	67,870	44,722	37,119	19,641
		<u>464,609</u>	<u>289,761</u>	<u>177,959</u>	<u>166,365</u>
	Cash	<u>185,744</u>	<u>257,691</u>	<u>28,114</u>	<u>48,844</u>
	Total current assets	<u>650,353</u>	<u>547,452</u>	<u>206,073</u>	<u>215,209</u>
	TOTAL ASSETS	<u>691,076</u>	<u>588,180</u>	<u>340,203</u>	<u>321,963</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Balance sheet

Note	DKK'000	Consolidated		Parent company	
		30 April 2022	30 April 2021	30 April 2022	30 April 2021
		EQUITY AND LIABILITIES			
13	Equity				
	Share capital	50,000	50,000	50,000	50,000
	Net revaluation acc. to the equity method	0	0	82,026	52,150
	Currency revaluation reserve	5,157	-4,078	0	0
	Retained earnings	144,929	121,968	68,060	65,740
	Proposed dividends	0	35,000	0	35,000
	Total equity	200,086	202,890	200,086	202,890
	Provisions				
12	Deferred tax	834	1,436	0	0
	Total provisions	834	1,436	0	0
	Liabilities				
	Current liabilities				
	Prepayments from customers	341,288	261,259	74,886	59,813
11	Prepayments for contract work in progress	4,619	7,301	560	1,058
	Trade payables	35,012	18,215	12,561	7,594
	Payables to group entities	0	0	21,890	21,214
	Corporation tax	4,268	2,186	0	0
	Other payables	104,969	94,893	30,220	29,394
		490,156	383,854	140,117	119,073
	Total liabilities	490,156	383,854	140,117	119,073
	TOTAL EQUITY AND LIABILITIES	691,076	588,180	340,203	321,963
1	Accounting policies				
14	Mortgages, collateral and contingent liabilities				
15	Lease obligations				
16	Related parties				

Consolidated financial statements and parent company financial statements 1 May - 30 April

Statement of changes in equity - Consolidated

DKK'000	Share capital	Retained earnings	Currency revaluation reserve	Proposed dividends	Total
Equity at 1 May 2021	50,000	121,968	-4,078	35,000	202,890
Profit for the year	0	22,961	0	0	22,961
Dividend distributed	0	0	0	-35,000	-35,000
Foreign exchange adj. on the translation of foreign entities	0	0	9,235	0	9,235
Equity at 30 April 2022	50,000	144,929	5,157	0	200,086

Statement of changes in equity - Parent company

DKK'000	Share capital	Retained earnings	Net revaluation acc. to the equity method	Proposed dividends	Total
Equity at 1 May 2021	50,000	65,740	52,150	35,000	202,890
Profit for the year	0	-1,022	23,983	0	22,961
Foreign exchange adj. on the translation of foreign entities	0	0	9,235	0	9,235
Transfer	0	-380	380	0	0
Distributed dividends	0	3,722	-3,722	-35,000	-35,000
Equity at 30 April 2022	50,000	68,060	82,026	0	200,086

Consolidated financial statements and parent company financial statements 1 May - 30 April

Cash flow statement

Note	DKK'000	Consolidated	
		2021/22	2020/21
	Operating profit	24,387	12,364
	Depreciation	9,590	8,943
	Cash generated from operations (operating activities) before changes in working capital	33,977	21,307
	Changes in working capital	20,824	63,445
	Cash flows from operating activities	54,801	84,752
5	Financial income	252	0
6	Financial expenses	-1,049	-1,819
	Other adjustments	-1,111	614
	Cash generated from operations (ordinary activities)	52,893	83,547
	Corporation tax paid	-15,774	-5,877
	Cash flows from operating activities	37,119	77,670
8,9	Acquisition of property, plant and equipment	-5,487	-6,676
8,9	Disposal of property, plant and equipment	0	414
	Cash flows from investing activities	-5,487	-6,262
	Changes in receivables from group entities	2,060	94,847
	Loans provided to group entities	-76,848	0
	Dividends paid	-35,000	0
	Cash flows from financing activities	-109,788	94,847
	Cash flows for the year	-78,156	166,255
	Cash and cash equivalents at 1 May	257,691	93,573
	Exchange gains/losses on cash and cash equivalents	6,209	-2,137
	Cash and cash equivalents at 30 April	185,744	257,691

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

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies

The annual report of Stibo Systems A/S for 2021/22 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

Pursuant to section 96(3) of the Danish Financial Statements Act, please see the annual report of Stibo Holding A/S for 2021/22 regarding auditors' fee.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, apart from reclassification of revenue from hosting which is presented at its gross amount in revenue and raw materials and consumables, against previously as a net amount in revenue. The change is due to an assessment of the risk related to handling hosting. The impact is an increase of revenue and corresponding in raw materials and consumables for the group of DKK 89,880 thousands (2020/21: DKK 47,216 thousands) and for the parent company of DKK 39,135 thousands (2020/21: DKK 8,521 thousands). Comparatives has been adjusted.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Stibo Systems A/S, and subsidiaries in which Stibo Systems A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and 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 or liabilities at the acquisition date. Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not restated for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of entities are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at 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.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

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 subsidiaries 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 intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. Income and expenses related to such hedges are transferred from equity by realisation of the hedged item and recognised in the same financial statement item as the hedged item.

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Contract work in progress in respect of delivery of large systems is recognised in revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). Revenue is recognised when total income and expenses relating to the construction contract and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Group.

Other operating income

Other operating income comprises items secondary to the primary activities of the Company.

Other external costs

Other external costs comprise items primary to the activities of the Company for the year.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other costs regarding the Company's employees, including members of the Executive Board and the Board of Directors.

Development costs regarding new products are expensed as incurred as the conditions for capitalisation are not considered to have been met. In practice, the development of new products cannot be separated from the continued maintenance of the Group's other products.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Depreciation and amortisation

Comprises depreciation of property, plant and equipment.

Profits/losses from investments in group entities

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 and amortisation of goodwill.

The proportionate share of the results after tax of the associates is recognised in the income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax on profit/loss for the year

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

Stibo Holding A/S is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year, comprising current tax and changes in deferred tax for the year, is recognised in the income statement. The tax expense relating to changes in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 3 and 7 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Other intangible assets include patents and rights acquired, etc.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful life of 3-10 years.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Property, plant and equipment

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

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. 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 amortisation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal 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 or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in group entities

Investments in group entities and associates are measured according to the equity method.

Investments in group entities are measured in the balance sheet at the proportionate share of the entities' net asset value determined in accordance with the parent company's accounting policies less or plus unrealised intra-group gains and losses.

Group entities with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the subsidiary's deficit.

Net revaluation of investments in group entities is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the work.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual work in progress is recognised in the balance sheet under either receivables or payables depending on the net value of the sales amount less progress billings and prepayments.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Payable and receivable joint taxation contributions are recognised in the balance sheet under balances with group companies.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. 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.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities other than provisions

Amounts owed to mortgage credit institutions and banks are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

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.

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 and corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

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 dividends to shareholders.

Segment information

The Group only operates within one segment.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

EBITDA	Operating profit added depreciation, amortisation and impairment losses (before minor new acquisitions)
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit/loss} \times 100}{\text{Average operating assets}}$
Operating assets	Operating assets are total assets less cash
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

2 Other operating income

The financial statement item substantially comprises income from management fee and other services. Furthermore gains from sales of property, plant and equipment.

DKK'000	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
3 Staff costs				
Wages and salaries	522,551	459,339	144,801	137,949
Pensions	22,376	20,492	8,899	8,254
Other social security costs	52,679	43,850	1,382	1,136
	<u>597,606</u>	<u>523,681</u>	<u>155,082</u>	<u>147,339</u>
Average number of full-time employees	<u>735</u>	<u>687</u>	<u>181</u>	<u>170</u>

Remuneration of the Executive Board totals DKK 6,788 thousand. The Executives Board's remuneration comprises a fixed fee and redundancy pay. Board of Directors does not receive remuneration.

DKK'000	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
4 Depreciation, amortisation and impairment losses				
Goodwill	651	705	651	705
Other intangible assets	4,898	4,256	2,722	2,548
Fixtures and fittings, other plant and equipment	857	722	34	19
Leasehold improvements	3,184	3,260	0	0
Minor new acquisitions	3,658	3,323	1,872	1,948
	<u>13,248</u>	<u>12,266</u>	<u>5,279</u>	<u>5,220</u>
5 Financial income				
Financial income from Group enterprises	214	0	0	0
Other financial income	38	0	663	632
	<u>252</u>	<u>0</u>	<u>663</u>	<u>632</u>
6 Financial expenses				
Other financial expenses	<u>1,049</u>	<u>1,819</u>	<u>262</u>	<u>254</u>
7 Tax on profit for the year				
Current tax for the year	18,471	14,928	239	0
Adjustment of deferred tax	-18,456	-26,032	-12,223	-22,849
Changes to prior year	614	0	614	0
	<u>629</u>	<u>-11,104</u>	<u>-11,370</u>	<u>-22,849</u>

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

8 Intangible assets

DKK'000	Consolidated		Parent company	
	Goodwill	Other intangible assets	Goodwill	Other intangible assets
Cost at 1 May 2021	4,557	19,595	4,557	13,333
Foreign exchange adjustments in foreign entities	0	949	0	0
Additions	0	3,963	0	724
Cost at 30 April 2022	4,557	24,507	4,557	14,057
Depreciation charges at 1 May 2021	-705	-5,598	-705	-2,688
Foreign exchange adjustments in foreign entities	0	-652	0	0
Amortisation charges	-651	-4,898	-651	-2,722
Amortisation charges at 30 April 2022	-1,356	-11,148	-1,356	-5,410
Carrying amount at 30 April 2022	3,201	13,359	3,201	8,647
Amortised over	3-7 years	3-7 years	3-7 years	3-7 years

9 Property, plant and equipment

DKK'000	Consolidated		Parent company
	Fixtures and fittings other plant etc.	Leasehold improvements	Fixtures and fittings other plant etc.
Cost at 1 May 2021	10,212	21,667	5,234
Foreign exchange adjustments in foreign entities	276	3,170	0
Additions	835	689	76
Disposals	-1,959	0	0
Cost at 30 April 2022	9,364	25,526	5,310
Depreciation charges at 1 May 2021	-7,993	-3,430	-5,162
Foreign exchange adjustments in foreign entities	-168	-817	0
Depreciation charges	-857	-3,184	-34
Disposals	1,952	0	0
Depreciation charges and impairment losses at 30 April 2022	-7,066	-7,431	-5,196
Carrying amount at 30 April 2022	2,298	18,095	114
Depreciated over	3-10 years	3-10 years	3-10 years

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

DKK'000	Parent company	
	2021/22	2020/21
10 Investments in subsidiaries		
Cost at 1 May	37,612	37,653
Disposals	-380	-41
Cost at 30 April	37,232	37,612
Value adjustments at 1 May	52,150	43,372
Foreign exchange adjustments, foreign group entities	9,235	-4,078
Profit of group entities after tax	23,983	24,431
Dividends	-3,722	-11,431
Disposals	380	-144
Adjustments at 30 April	82,026	52,150
Carrying amount at 30 April	119,258	89,762

Name	Registered office	Voting rights and ownership
Stibo Systems Inc.	USA	100%
Stibo Systems Healthcare Inc.	USA	100%
Stibo Systems Ltd.	England	100%
Stibo Systems GmbH	Germany	100%
Stibo Systems S.A.S	France	100%
Stibo Systems Asia Ltd.	Hong Kong	100%
Stibo Systems Korea Ltd.	South Korea	100%
Stibo Systems Japan	Japan	100%
Stibo Systems China Ltd.	Hong Kong	100%
Stibo Software Ltd.	China	100%
Stibo Systems China Ltd.	China	100%
Stibo Systems Pty. Ltd.	Australia	100%
Stibo Systems B.V.	Holland	100%
Stibo Systems Sàrl	Switzerland	100%
Stibo Systems Inc.	Canada	100%
Stibo Systems Do Brazil Ltda.	Brazil	100%
Stibo Systems Columbia	Columbia	100%
Stibo Systems Spain S.L.	Spain	100%
Stibo Systems México	Mexico	100%
Stibo Systems India Private Limited	India	100%

DKK'000	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
11 Contract work in progress				
Recognised as follows:				
Contract work in progress	7,089	8,393	3,673	2,911
Prepayments for contract work in progress	-4,619	-7,301	-560	-1,058
	2,470	1,092	3,113	1,853

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

DKK'000	Consolidated		Parent company	
	2021/22	2020/21	2021/22	2020/21
12 Deferred tax				
Deferred tax at 1 May	-39,416	-10,337	-39,388	-13,681
Foreign exchange adjustments	-78	-189	0	0
Transfer from Corporation Tax	4,878	-2,858	4,878	-2,858
Changes for the year, see note 7	-18,456	-26,032	-12,223	-22,849
Deferred tax at 30 April	-53,072	-39,416	-46,733	-39,388
Deferred tax asset	-53,906	-40,852	-46,733	-39,388
Deferred tax liability	834	1,436	0	0
	-53,072	-39,416	-46,733	-39,388

13 Equity

The share capital comprises 50,000 shares of DKK 1,000 nominal value each. All shares rank equally. The share capital has remained unchanged since establishment.

Proposed profit allocation

DKK'000	2021/22	2020/21
Proposed dividends	0	35,000
Transfer to reserve for net revaluation according to the equity method	22,983	24,431
Retained earnings	-22	-37,782
	22,961	21,649

14 Mortgages, collateral and contingent liabilities

Parent company

The Company is jointly taxed with other Danish group companies. As group company, together with the other group companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The jointly taxed companies known net liabilities to Skattestyrelsen are recognised in the financial statements of the administrative company, Stibo Holding A/S. Any subsequent corrections to the joint taxation income and withholding taxes, etc. may imply that the Company's liabilities increase.

Consolidated financial statements and parent company financial statements 1 May - 30 April

Notes

15 Lease obligations

Parent company

The Company has entered into rent obligations falling due within 6 years totalling DKK 6.7 million (2020/21: DKK 5.1 million).

Other lease obligations (operating leases) falling due within 4 years total DKK 0.5 million (2020/21: DKK 1.2 million).

Consolidated

The Group has entered into rent obligations falling due within 9 years and totalling DKK 101.2 million (2020/21: DKK 103.7 million).

Other lease obligations (operating leases) falling due within 5 years total DKK 5.1 million (2020/21: DKK 1.7 million).

16 Related parties

Parties exercising control

The STIBO-FONDEN, Axel Kiers Vej 11, 8270 Højbjerg.

Stibo Systems A/S is wholly-owned by Stibo A/S, Aarhus, whose ultimate parent company is the STIBO-FONDEN, Aarhus.

Related party transactions

Related parties comprise the STIBO-FONDEN and subsidiaries in which STIBO-FONDEN directly or indirectly controls.

Transactions in 2021/22 with related parties:

DKK'000	Consolidated	Parent company
Income ¹	736	704,462
Expenses ¹	30,987	625,500
Net financial income and expenses ²	214	0
Receivables from group entities ³	122,210	62,895
Payables to group entities ³	0	21,890
Dividend distributed	35,000	35,000
Dividend received	0	3,722

¹ Includes sales and purchases of goods and services.

² Includes financial items related to intercompany financing.

³ Includes receivables and payables related to sales and purchases of goods and services and intercompany financing.

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

Adrian Neil Carr

CEO

On behalf of: Stibo Systems A/S

Serial number: adrc@stibosystems.com

IP: 217.28.xxx.xxx

2022-06-29 08:49:18 UTC



Adrian Neil Carr

Board of Directors

On behalf of: Stibo Systems A/S

Serial number: adrc@stibosystems.com

IP: 217.28.xxx.xxx

2022-06-29 08:50:52 UTC



Kathrine Ravn Stougaard

Board of Directors

On behalf of: Stibo Systems A/S

Serial number: PID:9208-2002-2-597955489440

IP: 217.28.xxx.xxx

2022-06-30 06:22:00 UTC

NEM ID 

Jeppe Meulengracht Fogh

Chairman of the Meeting

On behalf of: Stibo Systems A/S

Serial number: 3e9e4724-e17e-450d-96d0-5a8f01d5cb8a

IP: 217.28.xxx.xxx

2022-07-01 06:49:02 UTC

Mit  

Jeppe Meulengracht Fogh

Chairman

On behalf of: Stibo Systems A/S

Serial number: 3e9e4724-e17e-450d-96d0-5a8f01d5cb8a

IP: 217.28.xxx.xxx

2022-07-01 06:49:02 UTC

Mit  

Morten Friis

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1267450157119

IP: 165.225.xxx.xxx

2022-07-01 10:52:40 UTC

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