Stibo Systems A/S

Axel Kiers Vej 11, DK-8270 Højbjerg

CVR No. 35 82 26 90

Annual report 2020/21

Approved at the Company's annual general meeting on 24 June 2021

Chairman:

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Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Contents

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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 2020 – 30 April 2021.

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 2021 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 May 2020 – 30 April 2021.

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, 24 June 2021
Executive Board:

Jesper Ejlersen
CEO

Board of Directors:

Sten Dyrmose Chairman	Jesper Ejlersen	Søren Strøm

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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 2020 – 30 April 2021, 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 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2020 – 30 April 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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, 24 June 2021
EY Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Morten Friis State Authorised Public Accountant mne32732	Søren Jensen State Authorised Public Accountant mne34132

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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	Sten Dyrmose, Chairman Jesper Ejlersen Søren Strøm
Executive Board	Jesper Ejlersen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Vaerkmestergade 25, DK-8100 Aarhus C

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Financial highlights

Amounts in DKK'000

Consolidated profit and loss statement	2020/21	2019/20	2018/19	2017/18	2016/17
Revenue	706,484	670,007	654,305	607,595	647,566
Gross profit	548,311	444,079	450,872	440,525	462,030
Operating profit	12,364	-75,460	8,117	44,302	24,943
Profit from financial income and expenses, net	-1,819	469	2,860	267	-713
Profit before tax	10,545	-74,991	10,977	44,569	24,230
Profit for the year	21,649	-61,876	5,016	31,139	15,697
Consolidated balance sheet					
Non-current assets	40,728	45,807	5,747	2,370	1,377
Current assets	547,452	475,227	503,451	521,206	469,967
Total assets	588,180	521,034	509,198	523,576	471,344
Equity	202,890	185,319	248,704	274,938	249,695
Provisions	1,436	4,346	1,311	2,751	4,167
Current liabilities	383,854	323,838	259,183	245,887	217,482
Key figures and ratios					
Investments in tangible assets	6,676	40,479	4,758	2,452	238
Free cash-flow	11,408	-79,574	11,023	53,700	-47,867
Operating margin	1.8%	-11.3%	1.2%	7.3%	3.9%
Return on invested capital	3.3%	-19.2%	2.4%	14.1%	8.0%
Gross margin	77.6%	66.3%	68.9%	72.5%	71.3%
Solvency ratio	34.5%	35.4%	50.7%	52.5%	53.0%
Return on equity	11.2%	-28.5%	1.9%	11.9%	5.9%
Average number of employees	687	543	467	439	498

For terms and definitions, please see the accounting policies.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Operating review

Based on the following vision/mission "We help companies transform into digital leaders through market leading multidomain master data management that delivers transparency" Stibo Systems A/S develops, supports and implements software solutions for Master Data Management.

Today, most software markets have a business model based on which the majority of customers want to subscribe for a service (SaaS: "Software as a Service") rather than buying it. This trend also applies to Stibo Systems A/S' market for Master Data Management. Based on current accounting policies this means that the value of new contracts is not recognised in the income statement until in the period during which the servicing contract is in force. This global trend is a positive development for Stibo A/S as it implies a higher stable and recurring revenue in the long run.

After a decrease in the order intake in the second half-year of the financial year 2019/20 due to the COVID-19 pandemic, Stibo Systems A/S realised an increase in the order intake for licences of 39% in the financial year 2020/21 compared with the last financial year, as COVID-19 only affected the order intake in Q1. In the subsequent quarters, the markets were characterised by huge interest in investing in digital transformation and transition to SaaS solutions.

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 5.4% to DKK 706.5 million. The order book at the end of the year increased by 40.3% to DKK 958.6 million of which the majority relates to service agreements in relation to software leases and support.

According to external analysts, the MDM market accounts for approx. DKK 10 billion (USD 1.4 billion) within the sale of software. According to expectations, the market was to decrease by 10% in 2020, but increased by 1.3% instead. The market is expected to return to the historical growth rates of 5-8% going forward. Globally, Stibo Systems A/S' market share (4-5%) is modest, and therefore, there is a potential that the Company can afford to have an ambitious growth strategy.

The increase in revenue combined with a tight cost control implied an increase in profit for the year (EBIT) of DKK 87.8 million, which thus totals DKK 12.4, million which is in line with expectations. 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 book for licenses and support agreements increased by approx. DKK 256 million since the beginning of the financial year 2019/20 financial year and therefore, expectations for the future growth in revenue and earnings development are positive.

DKK'000	Software (Perpetual)	Software (SaaS)	Professional Services	Support	Total order backlog
Backlog beginning of period	**7,535**	**250,225**	**60,577**	**364,862**	**683,199**
Order intake	63,349	326,660	217,052	374,845	981,906
Order revenue	64,010	122,154	197,405	322,915	706,484
Backlog end of period	**6,873**	**454,731**	**80,224**	**416,792**	**958,622**

In previous financial years, Market and Business Performance figures have been reported; however, as the transformation process from Perpetual licenses to SaaS is now progressing, these figures will not be reported going forward. Market Performance obtained DKK 765 million and Business Performance obtained DKK 278 million.

Events after the balance sheet date

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

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Outlook

Stibo Systems A/S expects an accounting profit in the range of DKK 40-50 million in the coming financial year.

Particular risks

Currency risks

The Group is exposed to changes in exchange rates as the majority 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 and environmental consciousness is more than an expression of our values. It is an integral aspect of our purpose, and it has been since the start, beginning with our roots as a commercial printer, founded in 1794.

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 objectives, delivering data transparency using the world's most versatile MDM solutions, and enabling them to optimize their business, environmental and social performance.

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 strict corporate social responsibility (CSR) policy.

Information on corporate social responsibility policies

In accordance with the Danish Financial Statement Act §99 a, Stibo Systems has enhanced our commitment towards delivering 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 on all levels in the organization. To ensure alignment throughout the organization the CSR Policy embraces the business values and strategy Stibo Systems represents. The CSR Policy is communicated to all employees and other interested parties 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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

In alignment with our company principles 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, 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.

Environment

By developing and implementing Master Data Management Software, Stibo Systems do 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	2017/18*	2018/19*	2019/20*	2020/21*
Flights Stibo Systems	Ton CO_2 eq	698	657	815	28

* Calculated by Travel Agency.

This extraordinary low emission cannot be compared to the previous years but has shown that it is possible to make progress and grow with less travel. This has made us reconsider our travel policy. Thus, a group of stakeholders from different business units works continuously towards new guidelines and how to ensure a greener and more responsible travel. Additionally, creating internal awareness towards the topic and guiding our employees to choose means of transport with less impact and be more considerate to 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, whereas 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	2017/2018*	2018/2019*	2019/20*	2020/21*
Electricity	Ton CO_2 eq	704	701	689	595
Space heating	Ton CO_2 eq	201	182	134	127
Total	Ton CO_2 eq	905	884	823	721

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

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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 headquarter.

In continuation of our energy consumption, we also have an indirect impact on the environment via our cloud operations. During the fiscal year 2021/2022, we will investigate the possibilities of reducing the energy consumption in our cloud operations.

Risk

Within the area of environment, Stibo Systems is facing a risk of missing out on new 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 only increase over time. The generations who are now entering the labor market, only have higher demands on organizations and their green profile. Therefore, it is a risk for Stibo Systems if potential employees or customers do not think our green profile is adequate and choose to seek employment or solutions elsewhere.

An increasing number of prospects ask questions in their proposal requests around topics of sustainability and Stibo Systems' footprint.

An additional risk is that Stibo Systems contributes to climate change through our CO_2 emissions. This contribution cannot be avoided, which is why our action today matters, and we continue to work towards limiting our environmental impact.

Human rights

By following the principles of UN's Global Compact, and starting to incorporate the UN's Sustainable Development Goals, Stibo Systems support and respect 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. As we aim to set high standards, we have decided to use the Danish standards as guidelines, if and when local requirements are considered to be less demanding.

As a global organization, we provide safe and healthy working conditions in all business units, as well as supporting all cultures and cultural activities. Additionally, Stibo Systems pursue equal rights for all genders, races, nationalities, ethnicity, and religion – 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 support and respect internationally proclaimed human rights. In case any of our customers or partners do not support the Universal Declaration of Human Rights, it can have an indirect effect on the organization.

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 employee's satisfaction level. This is done through Great Place to Work surveys, which are designed to assess workplace culture by focusing on important workplace issues such as credibility, team spirit, and trust. As the survey provides a great spectrum of insights and performance measures, Stibo Systems have decided to focus on the trust index and employee engagement index.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

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.

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.

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 in being aware of and discuss the personal wellbeing of employees in relation to performing their work.

Anti-corruption

Stibo Systems conform 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 needs 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 can 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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Implementation, including due diligence processes

Covid-19

As Stibo Systems is a global organization, the Covid-19 pandemic affected different business units at different times, allowing the rest of the organization the learn from the affected offices. To manage the situation, as well as provide the organization with clear guidelines, a Covid-19 Contingency Plan and Covid-19 Task Force, were announced, along with local Covid-19 Teams at all office locations. To act in accordance with the local government's propositions and regulations, an internal Yammer page was set up, to provide accessible information to the employees. By having all employees working from home, Stibo Systems joined the collective effort to stop the pandemic.

Covid-19 was an immediate threat to our business model. In Stibo Systems, our sales process has been built on travelling to meet customers all over the world, but that process was ended by Covid-19. Being compelled to create an online work environment and connect with customers and colleagues online, naturally changed the business model. During Covid-19, Stibo Systems has shown great prosperity, with new customers to the portfolio. This illustrates that the previous travelling can be reduced, but not completely removed. This has instigated a review of the travel policies and targets are created to reduce travel in the future.

This year's Connect Conference was reorganized as a virtual event, with more than 1.100 global attendees including customers, prospects, and partners participating in more than 70 sessions. Stibo Systems also offered the attendees to participate in a charity initiative. For every session an attendee viewed in full, Stibo Systems donated $1 to charity. With a nearly $6.000 donation allocated between 4 internationally recognized organizations – Childhood Cancer International, The International Red Cross and Red Crescent Movement, World Wildlife Fund, and Clean the World.

Projects conducted throughout 2020/2021

Though it has been a challenging year with a lot of limitations, the CSR ambassadors and contributing employees have done a great effort to adapt to alternative ways of running CSR initiatives. Below are some selected CSR initiatives which have been conducted in 2020/2021. As a global organization, with business units, customers, and partners located all around the world, we acknowledge the different cultures and priorities we get to experience. Therefore, 3 headlines have been formulated, leaving room for interpretation, which enables us to support the communities through various initiatives. The headlines are environmental preservation and sustainability, technology education, and community support.

Environmental Preservation and Sustainability

India – Miyawaki Forest Plantation Drive with SayTrees (supporting UN SDG #15)

In continuation of Earth Day 2021, the Indian office marked the day with a Miyawaki forest plantation drive with guidance from the NGO SayTrees. The 16 volunteers planted 200 saplings in the Miyawaki method. This technique originates from the Japanese botanist Akira Miyawaki, who studied how to build dense, native forests. By planting a great number of saplings in the same area, the technique makes the plant grow 10 times faster than usual and has the purpose of getting maintenance-free after a couple of years. The entire Miyawaki forest in Karnataka State Reserve Police at Madivala in Bangalore has 13.000 saplings planted from different corporates, including the 200 from Stibo Systems India. The next 2 years SayTrees will take care of the plants and keep the Indian office informed with a periodic report.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Technology Education

India – Finishing School Program (supporting UN SDG #4)

Through interviews, the Indian office started seeing a pattern in the applicants coming straight from the university. Several lacked in skills and had rarely used the learned theories in practice, which made them less prepared to get into the labor market. Awareness of the topic was created internally at the office. With a sense of high demand, the offices decided to start the 'Finishing School Program'.

4 students were selected based on their application and a meticulous screening process. The goal is to help underprivileged students with good academic reports, but who have no families to provide financial support. The courses of the program covered topics such as Java programming, basics of web development, basics of testing, soft skills, and handling interviews. With a duration of 10 days, the students attended classroom and practical sessions two times a day.

As recognition, the students received a Stibo Systems certificate for their course participation. Thus, the students have completed the program, the Indian office will be at their disposal with guidance for their future endeavors.

The 'Finishing School Program' will be continued, welcoming new underprivileged students into the Indian office in the future. Internal staff will provide knowledge and experiences, preparing the students to learn and use new skills, for them to be in an improved position when they enter the labor market.

Community Support

USA – Atlanta Community Food Bank (supporting UN SDG #2)

Due to Covid-19 and the impact it created for those struggling with hunger, the North America team partnered up with the Atlanta Community Food Bank and created a virtual food drive. Covid-19 affects the economy and thereby making the need for food more important, causing 1 in 4 children to go to bed hungry.

The impact of just $1 can provide food for up to 4 meals. With the employee's donation of $1.435 and Stibo Systems donating $1.000, a total of $2.435 was raised. This produced 9.740 meals, with Atlanta Community Food Bank's resources.

Colombia – Donation kits (supporting UN SDG #3 and #6)

As the hurricane Iota hit the Caribbean, the first category 5 to hit Colombia, it created catastrophic rainfall, flooding, and mudslides. The Colombian teams organized a donation to the islands of San Andrés and Providencia. The poor population of the islands experienced major destruction as roughly 95% of the infrastructure was destroyed and left many without electricity or drinking water.

To help the population of the islands to recover, the Colombian team together with Stibo Systems, collected a great amount of personal care kits, which was distributed with the help of the Pro Archipiélago foundation.

Canada – Second Harvest (supporting UN SDG #2)

The Canadian team partnered up with the organization Second Harvest, with the goal to raise money for people in need. Second Harvest works across the supply chain from farm to retail to capture surplus food before it ends up in the landfill, which is an inefficient use of resources. In 2020, Second Harvest recovered more than 22,3 million pounds of nutritious unsold food and distributed it to a broad network of 2.300 social service organizations across Canada. With total fundraising of $1.000, the Canadian team ensured that 2.000 meals were delivered to people in need and 8.953 lbs. of greenhouse gases were averted.

Results and expectation for the work ahead

United Nations' Sustainability Development Goals (SDGs)

To provide a shared blueprint for peace and prosperity for people and the planet, now and into the future, the UN has formulated 17 goals, which are an urgent call for action by all in a global partnership.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

Management's review

Stibo Systems want to align with the UN SDGs as we, like other companies, have a direct as well as an indirect impact on the represented areas, and thereby need to take responsibility for our actions. To focus the CSR activities, we decided on a structured approach for selecting the most relevant UN SDGs, and incorporate these into our organization, processes, and projects.

In the process of selecting UN SDGs that match our overall strategy and vision, stakeholders with different positions and backgrounds participated in several brainstorming sessions. By iterating on the decision and collecting feedback from the CSR ambassadors, four UN SDGs have now been selected and are waiting on approval from the Global Leadership Team.

In the 2021/2022 financial year we will set up short- and long-term goals for each UN SDG, and to ensure progress and that we meet the formulated goals and KPI's, a UN SDG committee is being established. For each UN SDG, a selected employee manages the activities to meet the goal, with support from relevant stakeholders within the organization.

Volunteering Program

Through the Great Place to Work survey, it was recognized that the employees of Stibo Systems want to support CSR related projects. This is now supported by the Global Leadership Team with a Global Volunteer Program.

With help from the CSR ambassadors, who will identify local organizations to partner up with, and align them with the UN SDGs, the Global Volunteer program will give every employee the opportunity to make a difference in their local community by letting them work up to 2 days in total for one or more of the approved organizations.

EcoVadis Program

To ensure a more structured and strategic CSR program, we have registered for a business sustainability rating through the organization EcoVadis. The rating is based on how well we have integrated CSR principles into our business and management system. For EcoVadis to complete the rating, we handed in 27 official documents, with support from 6 departments across business units, and responded to themes of Labor & Human Rights, Environment, Ethics, and Sustainable procurement.

The business sustainability rating and improvement touchpoints EcoVadis provides, will be used to set new CSR related targets and improve policies, which will be integrated and elaborated in the 2021/2022 Annual Report.

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 2021 is that the board consists of 3 members elected by the General Assembly. In Stibo Group the board of directors in all subsidiaries always consists of the CEO (chairman) and the CFO of Stibo A/S and the CEO of Stibo Systems. None of these are females, therefore also none of the board members in Stibo Systems are females.

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. Current status two females has joined the global management team.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Income statement

		Consolidated		Parent company	
Note	DKK'000	2020/21	2019/20	2020/21	2019/20
	Revenue	706,484	670,007	697,823	664,425
2	Other operation income	153	0	0	0
	Raw materials and consumables	-23,443	-21,537	-501,861	-556,823
	Other external costs	-134,883	-204,391	-69,412	-69,765
	Gross profit	548,311	444,079	126,550	37,837
3	Staff costs	-523,681	-512,656	-147,339	-144,216
4	Depreciation, amortisation and impairment losses	-12,266	-6,883	-5,220	-1,674
	Operating profit	12,364	-75,460	-26,009	-108,053
10	Profit of group entities after tax	0	0	24,431	20,143
5	Financial income	0	1,913	632	1,209
6	Financial expenses	-1,819	-1,444	-254	-34
	Profit before tax	10,545	-74,991	-1,200	-86,735
7	Tax on profit for the year	11,104	13,115	22,849	24,859
	Profit for the year	21,649	-61,876	21,649	-61,876

Proposed profit allocation

DKK'000		
Proposed dividends	50,000	0
Transfer to reserve for net revaluation according to the equity method	24,431	20,143
Retained earnings	-52,782	-82,019
	21,649	-61,876

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Balance sheet

Note	DKK'000	Consolidated 30 April 2021	Consolidated 30 April 2020	Parent company 30 April 2021	Parent company 30 April 2020
	ASSETS				
	Non-current assets				
8	**Intangible assets**				
	Goodwill	3,852	3,760	3,852	0
	Other intangible assets	13,997	14,711	10,645	10,971
		17,849	18,471	14,497	10,971
9	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	2,219	1,122	72	31
	Leasehold improvements	18,237	23,947	0	0
		20,456	25,069	72	31
	Non current financial assets				
10	Investments in subsidiaries	0	0	89,762	81,025
	Deposits	2,423	2,267	2,423	2,267
		2,423	2,267	92,185	83,292
	Total non-current assets	40,728	45,807	106,754	94,294
	Current assets				
	Receivables				
	Trade receivables	141,520	170,773	25,430	23,759
11	Contract work in progress	8,393	11,819	2,911	4,548
	Receivables from group entities	40,722	135,569	69,897	162,319
12	Deferred tax asset	40,852	14,683	39,388	13,681
	Corporation tax	1,193	11,311	631	10,228
	Other receivables	12,359	8,352	8,467	1,792
	Prepayments	44,722	29,147	19,641	8,010
		289,761	381,654	166,365	224,337
	Cash	257,691	93,573	48,844	6,598
	Total current assets	547,452	475,227	215,209	230,935
	TOTAL ASSETS	588,180	521,034	321,963	325,229

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	30 April 2021	30 April 2020	30 April 2021	30 April 2020
	EQUITY AND LIABILITIES				
14	**Equity**				
	Share capital	50,000	50,000	50,000	50,000
	Net revaluation acc. to the equity method	0	0	52,150	43,372
	Currency revaluation reserve	-4,078	0	0	0
	Retained earnings	121,968	135,319	65,740	91,947
	Proposed dividends	35,000	0	35,000	0
	Total equity	202,890	185,319	202,890	185,319
	Provisions				
12	Deferred tax	1,436	4,346	0	0
	Total provisions	1,436	4,346	0	0
	Liabilities				
13	**Non-current liabilities**				
	Other payables	0	7,531	0	7,531
	Current liabilities				
	Prepayments from customers	261,259	228,547	59,813	57,908
11	Prepayments for contract work in progress	7,301	5,677	1,058	301
	Trade payables	18,215	11,566	7,594	2,116
	Payables to group entities	0	6	21,214	47,916
	Corporation tax	2,186	507	0	0
	Other payables	94,893	77,535	29,394	24,138
		383,854	323,838	119,073	132,379
	Total liabilities	383,854	331,369	119,073	139,910
	TOTAL EQUITY AND LIABILITIES	588,180	521,034	321,963	325,229

1 Accounting policies
15 Mortgages, collateral and contingent liabilities
16 Lease obligations
17 Related parties

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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 2020	50,000	135,319	0	0	185,319
Profit for the year	0	-13,351	0	35,000	21,649
Foreign exchange adj. on the translation of foreign entities	0	0	-4,078	0	-4,078
Equity at 30 April 2021	50,000	121,968	-4,078	35,000	202,890

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 2020	50,000	91,947	43,372	0	185,319
Profit for the year	0	-37,782	24,431	35,000	21,649
Foreign exchange adj. on the translation of foreign entities	0	0	-4,078	0	-4,078
Transfer	0	11,575	-11,575	0	0
Distributed dividends	0	0	0	0	0
Equity at 30 April 2021	50,000	65,740	52,150	35,000	202,890

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Cash flow statement

Note	DKK'000	Consolidated 2020/21	Consolidated 2019/20
	Operating profit	12,364	-75,460
	Depreciation	8,943	2,635
	Cash generated from operations (operating activities) before changes in working capital	21,307	-72,825
	Changes in working capital	63,445	42,786
	Cash flows from operating activities	84,752	-30,039
5	Financial income	0	1,913
6	Financial expenses	-1,819	-1,444
	Other adjustments	614	-2,477
	Cash generated from operations (ordinary activities)	83,547	-32,047
	Corporation tax paid	-5,877	-7,155
	Cash flows from operating activities	77,670	-39,202
8,9	Acquisition of property, plant and equipment	-6,676	-40,479
8,9	Disposal of property, plant and equipment	414	107
	Cash flows from investing activities	-6,262	-40,372
	Changes in receivables from group entities	94,847	19,557
	Dividends paid	0	0
	Cash flows from financing activities	94,847	19,557
	Cash flows for the year	166,255	-60,017
	Cash and cash equivalents at 1 May	93,573	152,679
	Exchange gains/losses on cash and cash equivalents	-2,137	911
	Cash and cash equivalents at 30 April	257,691	93,573

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

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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 2020/21 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-FONDEN for 2020/21 regarding auditors' fee.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

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

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit/loss x 100}}{\text{Average operating assets}}$
Operating assets	Operating assets are total assets less cash
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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.

		Consolidated		Parent company	
	DKK'000	2020/21	2019/20	2020/21	2019/20
3	**Staff costs**				
	Wages and salaries	459,339	461,634	137,949	136,192
	Pensions	20,492	19,604	8,254	7,681
	Other social security costs	43,850	31,418	1,136	343
		523,681	512,656	147,339	144,216
	Average number of full-time employees	687	543	170	165

Pursuant to sections 98b (3) of the Danish Financial Statements Act, there is no information about remuneration to the Executive Board.

4	**Depreciation, amortisation and impairment losses**				
	Goodwill	705	0	705	0
	Other intangible assets	4,256	1,366	2,548	140
	Fixtures and fittings, other plant and equipment	722	997	19	1
	Leasehold improvements	3,260	272	0	0
	Minor new acquisitions	3,323	4,248	1,948	1,533
		12,266	6,883	5,220	1,674
5	**Financial income**				
	Other financial income	0	1,913	632	1,209
6	**Financial expenses**				
	Other financial expenses	1,819	1,444	254	34
7	**Tax on profit for the year**				
	Current tax for the year	14,928	-1,137	0	-10,228
	Adjustment of deferred tax	-26,032	-11,543	-22,849	-14,196
	Changes to prior year	0	-435	0	-435
		-11,104	-13,115	-22,849	-24,859

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Notes

8 Intangible assets

DKK'000	Consolidated Goodwill	Consolidated Other intangible assets	Parent company Goodwill	Parent company Other intangible assets
Cost at 1 May 2020	3,760	16,286	0	11,111
Foreign exchange adjustments in foreign entities	0	-569	0	0
Additions	797	3,878	797	2,222
Disposals	0	0	0	0
Transfer	0	0	3,760	0
Cost at 30 April 2021	4,557	19,595	4,557	13,333
Depreciation charges at 1 May 2020	0	-1,575	0	-140
Foreign exchange adjustments in foreign entities	0	233	0	0
Amortisation charges	-705	-4,256	-705	-2,548
Amortisation charges at 30 April 2021	-705	-5,598	-705	-2,688
Carrying amount at 30 April 2021	3,852	13,997	3,852	10,645
Amortised over	3-7 years	3-7 years	3-7 years	3-7 years

9 Property, plant and equipment

DKK'000	Consolidated Fixtures and fittings other plant etc.	Consolidated Leasehold improvements	Parent company Fixtures and fittings other plant etc.
Cost at 1 May 2020	9,146	24,288	5,327
Foreign exchange adjustments in foreign entities	5	-2,527	0
Additions	1,753	248	60
Disposals	-986	-48	-153
Transfer	294	-294	0
Cost at 30 April 2021	10,212	21,667	5,234
Depreciation charges at 1 May 2020	-8,024	-341	-5,296
Foreign exchange adjustments in foreign entities	2	149	0
Depreciation charges	-722	-3,260	-19
Disposals	761	12	153
Transfer	-10	10	0
Depreciation charges and impairment losses at 30 April 2021	-7,993	-3,430	-5,162
Carrying amount at 30 April 2021	2,219	18,237	72
Depreciated over	3-10 years	3-10 years	3-10 years

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Notes

DKK'000	Parent company 2020/21	Parent company 2019/20
10 Investments in subsidiaries		
Cost at 1 May	37,653	35,319
Additions	0	2,334
Disposals	-41	0
Cost at 30 April	37,612	37,653
Value adjustments at 1 May	43,372	57,538
Foreign exchange adjustments, foreign group entities	-4,078	-1,509
Profit of group entities after tax	24,431	20,143
Dividends	-11,431	-32,800
Disposals	-144	0
Adjustments at 30 April	52,150	43,372
Carrying amount at 30 April	89,762	81,025

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 Hong Kong Ltd	Hong Kong	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 Sârl	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 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
11 Contract work in progress				
Recognised as follows:				
Contract work in progress	8,393	11,819	2,911	4,548
Prepayments for contract work in progress	-7,301	-5,677	-1,058	-301
	1,092	6,142	1,853	4,247

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Notes

DKK'000	Consolidated 2020/21	Consolidated 2019/20	Parent company 2020/21	Parent company 2019/20
12 Deferred tax				
Deferred tax at 1 May	-10,337	1,144	-13,681	515
Foreign exchange adjustments	-189	62	0	0
Transfer from Corporation Tax	-2,858	0	-2,858	0
Changes for the year, see note 7	-26,032	-11,543	-22,849	-14,196
Deferred tax at 30 April	-39,416	-10,337	-39,388	-13,681
Deferred tax asset	-40,852	-14,683	-39,388	-13,681
Deferred tax liability	1,436	4,346	0	0
	-39,416	-10,337	-39,388	-13,681

13 Non-current liabilities other than provisions

The Group and parent companies non-current liabilities at 30 April 2020 comprise deferred holiday pay where the payment is more than 12 months from the balance sheet date. At 30 April 2021 the deferred holiday pay is current and will be payed within 12 months.

14 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	2020/21	2019/20
Proposed dividends	0	0
Transfer to reserve for net revaluation according to the equity method	24,431	20,143
Retained earnings	-17,429	-82,019
	7,002	-61,876

15 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.

Penneo dokumentnøgle: 77S2M-QSBEJ-E4TXC-4KIHU-FFH1O-S2QEE

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

Notes

16 Lease obligations

Parent company

The Company has entered into rent obligations with a term of 1 year totalling DKK 5.1 million (2019/20: DKK 4.7 million).

Other lease obligations (operating leases) falling due within 5 years total DKK 1.2 million (2019/20: DKK 0.8 million).

Consolidated

The Group has entered into rent obligations falling due within 10 years and totalling DKK 103.7 million (2019/20: DKK 131.8 million).

Other lease obligations (operating leases) falling due within 5 years total DKK 1.7 million (2019/20: DKK 1.5 million).

17 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 2020/21 with related parties:

DKK'000	Consolidated	Parent company
Income[1]	1,065	555,783
Expenses[1]	33,743	545,388
Net financial income and expenses[2]	0	0
Receivables from group entities[3]	40,722	69,897
Payables to group entities[3]	0	21,214

[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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Jesper Ejlersen
CEO
På vegne af: Stibo Systems A/S
Serienummer: PID:9208-2002-2-785044266372
IP: 178.157.xxx.xxx
2021-06-25 10:13:40Z
NEM ID

Sten Dyrmose
Chairman
På vegne af: Stibo Systems A/S
Serienummer: PID:9208-2002-2-438790292055
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Jesper Ejlersen
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Søren Strøm
Dirigent
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Søren Strøm
Bestyrelse
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Serienummer: PID:9208-2002-2-475904600882
IP: 217.28.xxx.xxx
2021-06-25 14:05:38Z
NEM ID

Søren Jensen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:71716295
IP: 87.104.xxx.xxx
2021-06-25 16:46:49Z
NEM ID

Morten Friis
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:1267450157119
IP: 85.184.xxx.xxx
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