Stibo Systems A/S

Axel Kiers Vej 11, DK-8270 Højbjerg

CVR No. 35 82 26 90

Annual report 2022/23

Approved at the Company's annual general meeting on 27 June 2023

Chairman:

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Contents

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 2022 – 30 April 2023.

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 2023 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 May 2022 – 30 April 2023.

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, 27 June 2023
Executive Board:

Adrian Neil Carr
CEO

Board of Directors:

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 2022 – 30 April 2023, 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 2023 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 2022 – 30 April 2023 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, 27 June 2023
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	2022/23	2021/22	2020/21	2019/20	2018/19
Revenue	1,056,773	918,950	753,700	696,850	666,866
Gross profit	733,199	635,241	548,311	444,079	450,872
EBITDA	125,233	33,977	21,407	9,418	45,535
Operating profit	113,817	24,387	12,364	-75,460	8,117
Profit from financial income and expenses, net	-4,272	-797	-1,819	469	2,860
Profit before tax	109,545	23,590	10,545	-74,991	10,977
Profit for the year	57,893	22,961	21,649	-61,876	5,016
Consolidated balance sheet					
Non-current assets	39,295	40,723	40,728	45,807	5,747
Current assets	768,659	650,353	547,452	475,227	503,451
Total assets	807,954	691,076	588,180	521,034	509,198
Equity	253,281	200,086	202,890	185,319	248,704
Provisions	315	834	1,436	4,346	1,311
Current liabilities	554,358	490,156	383,854	323,838	259,183
Key figures and ratios					
Investments in tangible assets	1,121	5,487	6,676	40,479	4,758
Gross margin	69.4%	69.1%	72.8%	63.7%	67.6%
Operating margin	10.8%	2.7%	1.6%	-10.8%	1.2%
Return on invested capital	22.1%	5.8%	3.3%	-19.2%	2.4%
Solvency ratio	31.4%	29.0%	34.5%	35.4%	50.7%
Return on equity	25.5%	11.4%	11.2%	-28.5%	1.9%
Average number of employees	728	735	687	543	467

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Stibo Systems is the leading provider of Master Data Management (MDM) solutions in the Cloud to the Retail, Manufacturing, CPG and Distribution sectors, helping leading global enterprises manage their data quality, governance, and distribution, as the foundation for digital transformation initiatives and for driving value from intelligent technologies like AI and Machine Learning.

Stibo Systems' customers master their product, customer, supplier and location information, not as disparate silos, but as interconnected entities, enhancing efficiencies and uncovering insights and opportunities. More than 250 customers have chosen the flexibility and scalability of Software as Service (SaaS) subscription contracts to run their master data management efforts with Stibo Systems, as we continue to add new customers and to migrate existing ones to our SaaS platform. This movement keeps on increasing our recuring revenue model based on multi-year service contracts, positively impacting our long-term results.

Stibo Systems is a business with a conscience.

We will build a better place through robust partnerships, a strong culture of innovation, and by taking a bold stance on sustainability.

We are a team of passionate people designing and delivering data management products to empower better decisions for spectacular customer results, leading to our sustainable growth.

Better data. Better business. Better world.

Sales & Marketing

The Fiscal Year 2022/23 has proved a challenging market for Sales due mainly to the global economic conditions. Order Intake (Sales) ended lower than the previous year despite market share increasing.

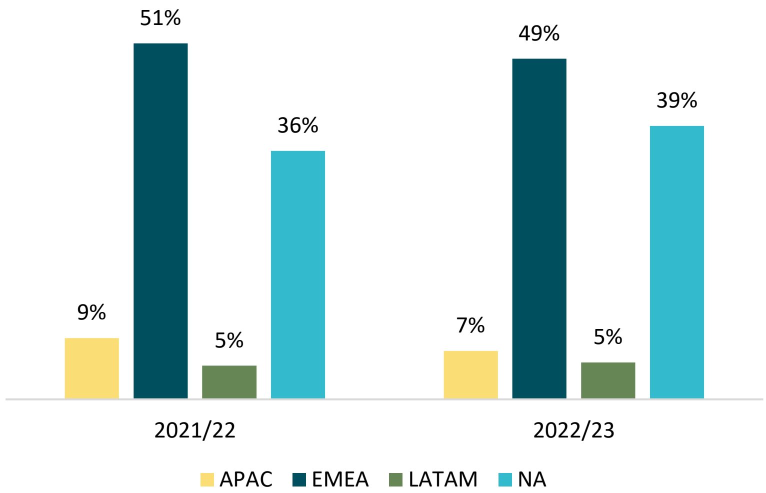
A recent (May 2023) market analyst report by Gartner, established that the MDM Software market grew by 1.41% in the past 12 months to $1.475 billion. Their analysis established that Stibo Systems grew share from 6.32% to 7.41%.

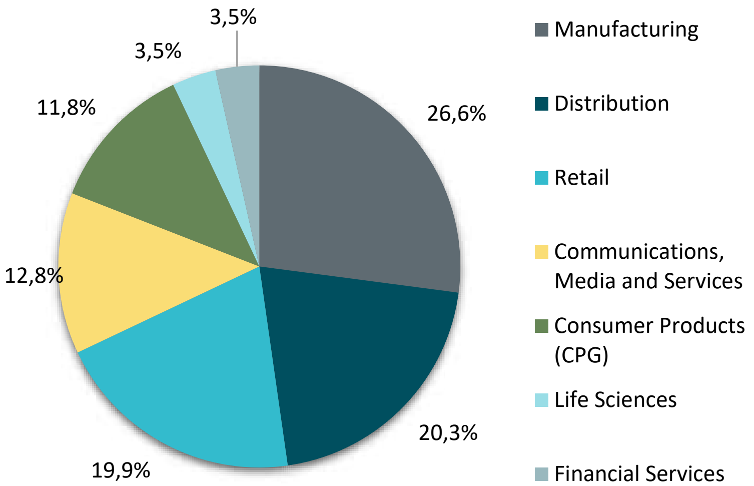
Sales to existing customers, representing around 55% of actual revenue, proved more resilient than sales to new customers where projects were delayed and reduced in size due to the perception of market risk. Sales continue to be boosted by the migration of existing on-premise customers to the Stibo Systems Software as a Service (SaaS) platform.

Currently, more than 50 % of customers are on the SaaS platform. This number continues to increase as existing customers migrate whilst all new customers move directly to the SaaS platform. It is planned that over 70 existing customers will migrate in the coming FY, a run rate expected to continue through the next two years.

Management's review

The graph shows the Order Intake over the last two FYs by region. It shows how the North American market is growing more rapidly than other regions. This rate of growth is expected to continue supported by ongoing investment.





The focus for Sales and Marketing continues to be on four core verticals: Retail, Consumer Packaged Goods (CPG), Manufacturing and Distribution with over 70% of Order Intake resulting from those sectors as shown in the diagram.

The Marketing function has gone through a major rebuild in the last year and has renewed focus on demand generation whilst content is heavily focused on the business impact of our technology on customers. Whilst Marketing has been strengthening lead generation activities, the company strategy of Partner First has been paying off. There is typically conflict between software companies and Systems Integrators (SIs) over who takes the majority of Professional Services (PS) fees. Stibo Systems long term strategy prioritises SIs, and more specifically Global SIs (GSIs) over our internal PS team. Whilst this has inevitably caused a reduction in PS revenues for the year, the quantity and quality of leads generated and closed in partnership with Alliances has been high. Over 25% of new customer Order Intake has been generated by Partners. This excludes the additional volume of deals influenced by partners.

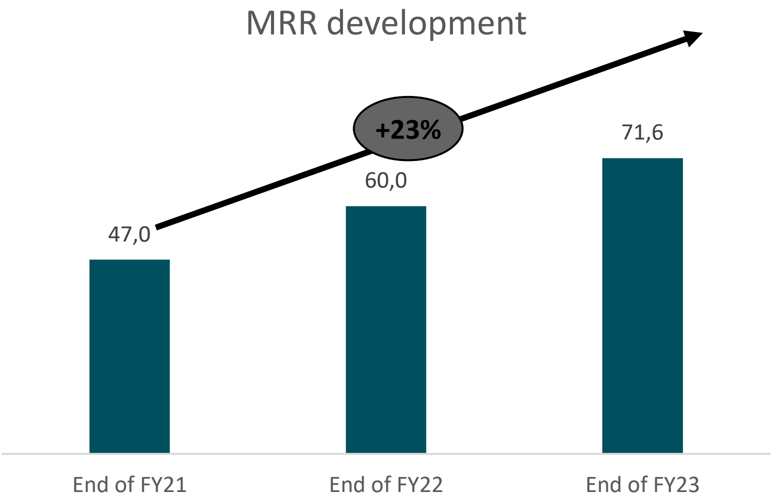
Management's review

Stibo Systems MDM platform enjoys unique competitive advantage when focused on data relating to products – food, apparel, electronics, etc. The same technology is also used to 'master' data across other Domains such as Customers, Staff, Suppliers, Locations etc. This brings substantial benefits to both the customer and Stibo Systems. For the customer, the re-use of the same technology increases their Return on Investment (ROI) whilst also enabling more sophisticated analytics across the 'Zones of Insight' - being the Domains of data being mastered. For Stibo Systems, greater penetration of the technology across the customer enterprise, increases the stickiness and hence contributes to a lower rate of customer churn.

Revenue

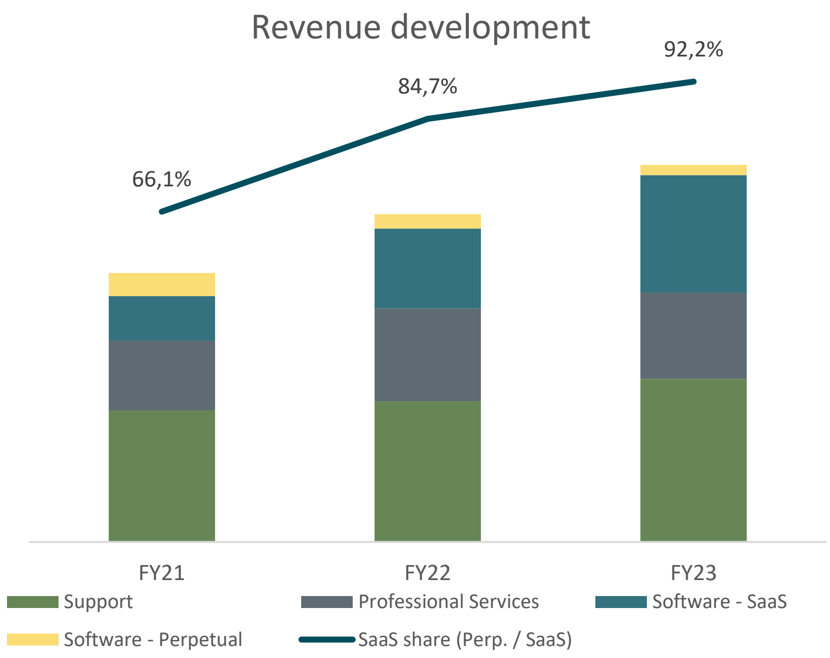
The transformation into a SaaS business is a substantial boost to the predictability of revenues as they are less influenced by large, one-off, Perpetual deals.

Revenue increased with 15 % compared to previous FY. This is an acceptable growth in revenue given the market situation and is founded by a solid fund of recurring revenue, however below the expectations for the year which was 20%.



The Monthly Recurring Revenue (MRR) have increased with 23 % since FY 21/22.

The Revenue split is shown below shows the trend from Perpetual to SaaS as well as an overall increase in the revenue.



Management's review

EBITDA

Growth in revenue combined with tight fiscal control created an increase in profitability (EBITDA) for the year totalling DKK 125.3 million. Whilst the growth in EBITDA is below budget and previously announced expectations of EBITDA in the range DKK 140-150 million , it is the highest ever achievement for Stibo Systems representing an EBITDA-margin of 11.9%.

Pipeline analysis early in the FY highlighted the market uncertainty due to recessionary pressures. The company immediately implemented fiscal controls to protect profitability. Having surfaced from the COVID Pandemic, the Company's travel and Expense budget came under pressure as teams started to reconnect physically around the world. Anecdotally, many companies have suffered from under budgeting for this resurgence of travel however we viewed it as vital to refresh the teamwork and culture of the company.

Stibo Systems focused on controlling the two largest cost factors: Salaries and Cloud Costs. During the past year, inflation globally has risen dramatically, in many operational locations it has exceeded 10%. The knock-on effect in an already competitive labour market has led to salary inflation for new joiners. This has been counter balanced by driving attrition down and reducing and prioritising new hires. We averaged 728 employees through the year compared with 735 in the previous FY.

The second largest area of cost is the 3rd party cloud platform used to provide SaaS to customers. During the FY, Stibo Systems entered into a strategic agreement with the cloud services provider giving access to beneficial pricing, expertise, and partnership in winning new business.

Product and Technology update

Stibo Systems is a leading multi-domain master data management software solution. This is achieved through continuous innovation in our product portfolio and technology. Priorities are based on established engagement programs with our customer base that includes some of the world's largest enterprises and well-known brands.

1. **Multidomain focus –** As part of 2022/23 fiscal year's product goal we have doubled down on innovation and scale around core capabilities of MDM including AI-enabled automation. From product-market fit and demand perspective, we have observed an increase in customers moving from single to multiple domains We are also seeing an increase in importance and business criticality of our solution within our customer base. The primary focus is on Product, Customer, Supplier and Location domains in Manufacturing, CPG, Distribution and Retail industries.
2. **Cloud focus –** The Stibo Systems SaaS offering has seen significant growth to over 50% of the customer base– this has been possible through modernization of architecture as well as optimization of processes around SaaS offering. While not leaving any customers behind.
3. **PDX** is an enabler for brands to connect with their consumers through different channels at scale. In 2022/23 Stibo Systems has expanded on its PDX offering and invested in scale to meet demands from our growing customer base. PDX has proven to be a good fit for global brands to effectively deliver quality product information for unified commerce.
4. **Innovation** Incremental innovation has geared Stibo Systems to serve its existing customers as well as new customers. Topics such as augmented MDM with a focus on improving business users' efficiency, as well as exploration of Sustainability data management are two examples of many topics.
5. **Category leadership**- MDM, PIM as well as Product Syndication are the categories that Stibo Systems remained as a leader in 2023.
6. **Market fit and relevance –** Stibo Systems continued to collaborate with the leading analyst firms (Gartner and Forrester) as well as industry analysts. Combined with close partnership with customers and partners continued to refine roadmap for the most optimal results for enterprise customers – this resulted in winning some of the largest brands as part of 2022/23.

Management's review

Outlook

Stibo Systems A/S expects an EBITDA in the range of DKK 130-140 million and a revenue increase of 17 % 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.

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 Environmental, Social and Governance (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 and ESG also contributes to the economic and sustainable development of the communities that are affected by our operations. With that in mind, Stibo Systems launched an ambitious ESG strategy and program in July 2022 which includes a well-thought-out 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 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 ESG strategy and related CSR policy embrace the business values and strategy which Stibo Systems represents. The ESG strategy is communicated to all employees and other stakeholders through the company website and internal communication tools.

Stibo Systems' ESG (Environmental, Social, Governance) and Sustainability Strategy

The CSR policy has been included in the ambitious Stibo Systems ESG strategy and program. This strategy builds on the existing CSR policy and includes ambitions and tangible targets for sustainable development and the substantial growth in awareness of our own impact on local communities, society, and the environment in general. We at Stibo Systems aspire to define sustainability in our industry.

Management's review

Stibo has completed an extensive double assessment reviewing materiality on environmental, social, and economic issues from two perspectives: 1) the importance of the issue to enterprise value, and 2) the potential impact of the company on society and/or the environment. This helped to define the ESG (environmental, social, governance) strategy for Stibo Systems as can be seen below.

Stibo Systems' ESG strategy

We will define sustainability in our industries

ASPIRATIONS			
1 We will reduce our climate impact	2 We will become the most attractive and valued employer in our industries	3 We will play an active role in our society and support development in local communities	4 We will encourage and enable our customers to meet their own objectives on sustainability
BELIEF			
We are committed to work systematically to reduce our carbon emissions and environmental impact from our entire operations	We want to lead by example, attract the best talent, and have a satisfied workforce that is a representation of the societies that we operate in. In addition, we will have ambitious standards aligned with our DEI framework across the organization	Stibo believes in contributing to the societies in which we operate. We develop and participate in relevant, societal engagement programs. We engage through our business units to develop and play an active role in our communities	Looking beyond our own operations, we want to affect the way our customers operate and enable them to meet their targets related to ESG by offering sustainability data solutions
OUTCOME			
Stibo will have minimal negative impact on the environment and lead by example in our industries	We will set industry leading standards in talent attraction. Further, our ambitious focus on a diverse workforce, including among others, employees with different educational backgrounds, women in tech, minorities and underrepresented groups will let us to become a role model in our industries	This will enhance development in local communities, as well as cascading education into society, supporting research, social and cultural tasks and causes that can benefit the well-being of the different communities in which we operate	Enabling better ESG performance for customers while increasing our revenue from sustainable product solutions

FOUNDATION
Deliver the absolute highest and most accurate standard of data security and data privacy
Global policies and standards, Management systems & Responsible supply chain management

The strategy is aligned with Stibo's four selected United Nations Sustainable Development Goals (UN SDG's) where Stibo has the most impact and relevance.

- SDG #8 decent work and economic growth
- SDG #10 reduce inequalities.
- SDG #12 responsible production and consumption
- SDG #13 climate action.

In addition to this, the ESG strategy includes our support and adherence to the UN Global Compact covering human rights, labour rights, environment, and anti-corruption.

The Company policies for ESG are derived directly from the ESG Strategy

Stibo Systems ESG strategy targets & KPIs

To make an impact we agreed on a set of ambitious goals and key performance indicators to track our progress. This will make us a leader in our industry. These are based on the following pillars.

1. Reducing our climate and environmental footprint

   Stibo Systems is committed to have minimal negative impact on the environment and lead by example in the industry that we operate in. We will work systematically with reducing our carbon emissions and environmental impact from our entire organization.

   For this reason, Stibo Systems commits to Science-Based Targets. These provide a clearly defined pathway for reducing greenhouse gas emissions in line with the goals set out at the Paris agreement (to limit global temperature rise compared to pre-industrial times to a maximum of 2 degrees, with the ambition to keep this below 1,5 degrees Celsius). We include scope 1 (direct emissions), scope 2 (indirect through consumption of energy) and scope 3 (all indirect emissions occurring in our value chain).

Management's review

The commitment to SBTi, Science Based Targets initiative, was confirmed in April 2022 and includes Near Term as well as Net Zero targets towards 1,5 degrees .

Stibo Systems is committed to monitor and manage our environmental performance and work towards setting additional targets to reduce adverse impacts at company level, as well as reducing our consumption of natural resources in daily operations. Furthermore, Stibo Systems is committed to disposing waste appropriately, which includes disposing e-waste at designated e-waste centres or reusing these where possible and offering recycling possibilities at all offices. Stibo Systems will also minimize its environmental footprint by taking steps to limit carbon emissions resulting from procurement, IT operations, business travel and employee commuting.

Clear short term (2025) and long-term targets around this pillar of the ESG strategy have been included as can be seen in the picture below.

Please see the separate section on Science Based Targets and De-carbonization which includes the Carbon Account for base year 2021/2022 as well as updated emission details for 2022/2023.

2. Being an attractive and responsible employer

   At Stibo Systems, we treat each other with respect, and we support, and respect internationally recognized human rights as formulated in the UN Human Rights Declaration and the internationally recognized labour rights as specified in the International Labour Organization (ILO) core conventions.

   At Stibo Systems, we are part of a global community. We are committed to intentionally building a safe and inclusive environment where all our employees can work and collaborate as their authentic selves to best help our customers optimize their business, environmental and societal performance. In addition, we believe diversity leads to better performance and decisions, and we are committed to enhancing a diverse workforce, representing the societies in which we operate. This will include a focus beyond gender to also include all underrepresented groups considering all diversity aspects. The diversity of our employees brings great innovation and a competitive advantage as part our unique culture and supports our company as we expand with a need to attract and retain talent.

   Currently Stibo Systems is at 23% woman in leadership positions with a target to expand this to 30% in 2025 (stated as maximum of 70% of one gender in management and leadership positions). Stibo Systems aims to achieve these set targets by a range of programs increasing the reach to woman in the IT industry and increasing the number of women having career possibilities internally.

   Clear additional short term (2025) and long-term targets around this pillar of the ESG strategy have been included as can be seen in the picture below.

   For more information on this topic, please see also the Stibo Systems Discrimination & Harassment policy.

3. Playing an active role in society

   Stibo Systems is committed to play an active role in society and support development in local communities. Stibo Systems will both participate, develop, and continue to strengthen existing societal engagement programs in the local communities in which we operate to ensure impact to various of groups globally.

   When engaging in such programs we uphold our high standards for diversity and inclusion. By strengthening the synergy between society and our industry we will improve educational possibilities and development in local communities, as well as cascading a focus on diversity and inclusion into the societies.

   With the aspiration to play a role in society and inspired by the initiatives we already have in place such as the Accelerator program in Denmark, US and UK, the Finishing School program in India and are cooperation with ReDI School Aarhus, we are committed to launch additional societal engagement programs that includes initiatives across the entire organization.

Management's review

Stibo Systems offers a volunteering program which includes the opportunity for all employees to take part of a volunteering activity during two working days per year. The volunteering day is sponsored by Stibo System covering expenses to organize the event including small expenses for food, travel and small donations.

A further description of the volunteering projects conducted throughout 2022/2023 can be found in this yearly report as well (see: Volunteering projects conducted throughout 2022/2023).

Clear short term (2025) and long-term targets around this pillar of the ESG strategy have been included as can be seen in the picture below.

Encourage customers to meet sustainability targets.

Stibo Systems actively works to encourage and enable customers to meet their own targets related to ESG and Sustainability by supporting their sustainability data transparency. This will be achieved by Stibo Systems sustainable data management solutions that will continuously be updated to reflect the changing demands, legislation, and requirements of ESG & Sustainability, to support our customers in the best way possible.

Initial sustainability data management offerings have been completed and several customers already use Stibo Systems' STEP MDM platform for managing this type of data.

Clear short term (2025) and long-term targets around this pillar of the ESG strategy have been included as can be seen in the picture below.

Four pillars of the ESG strategy

1 We will reduce our climate impact		2 We will become the most attractive and valued employer in our industries		3 We will play an active role in our society and support development in local communities		4 We will encourage and enable our customers to meet their own objectives on sustainability	
OUTCOME WHEN KPI'S ARE ACHIEVED							
Stibo will have minimal negative impact on the environment and lead by example in our industries.		We will set industry leading standards in talent attraction through partnerships and graduate programs. Further, we want our workforce to reflect the diversity of the communities in which we operate. We run programs to combat gender discrimination and work to promote gender equality.		This will enhance development in local communities, as well as cascading education into society, supporting research, social and cultural tasks and causes that can benefit the well-being of the different communities in which we operate.		This will enable better ESG performance for customers while increasing our revenue from sustainable product solutions.	
INITIAL SHORT-TERM AND LONG-TERM TARGETS							
Short term – 2025	**Long term - 2030**	**Short term – 2025**	**Long term - 2030**	**Short term – 2025**	**Long term - 2030**	**Short term – 2025**	**Long term - 2030**
▪ Scope 1 and 2 emissions reduced annually in line with Science Based Targets initiative (SBTi) in absolute terms* ▪ Committed to reach targets developed in line with SBTi on scope 3	▪ Fully on track to meet Net Zero Science-Based Targets on scope 1, 2 and 3	▪ Stibo placed in the top 10% of attractive employers in the industries ▪ 100% of all employees annually trained in DEI as well as discrimination & harassment ▪ Maximum 70% of one gender in management/leadership positions ▪ Education program involving 20 people annually as interns, graduates or post doc students	▪ Stibo placed in the top 10% of attractive employers in the industries ▪ Continuance of all employees annually trained in DEI as well as discrimination & harassment ▪ Maximum 60% of one gender in management/leadership positions ▪ Education program involving 30 people annually as interns, graduates or post doc students	▪ Total of 150 people outside of Stibo directly impacted yearly across all societal engagement programs (including the Accelerator and volunteering program) ▪ 25% of all employees supporting societal engagement programs during worktime ▪ 1% of Stibo's profits will be donated to selected causes	▪ Total of 250 people outside of Stibo directly impacted yearly across all societal engagement programs (including the Accelerator and volunteering program) ▪ 35% of all employees supporting societal engagement programs during worktime ▪ 1% of Stibo's profits will be donated to selected causes	▪ Launch a solution for managing sustainability data for Product, Supplier and Location MDM	▪ Increase number of customers using Stibo System's sustainability data solution to 20% of the customer base

ESG governance

The Stibo Systems ESG strategy includes a clear governance plan with a Steering Group at CXO level, directly sponsored by the CEO and CFO of the company and a direct line to the audit & governance committee.

Stibo Systems also assigned a Head of ESG & Sustainability reporting to the CHRO of Stibo Systems. This is a full-time role supported by subject matter experts, external consultants, and department heads.

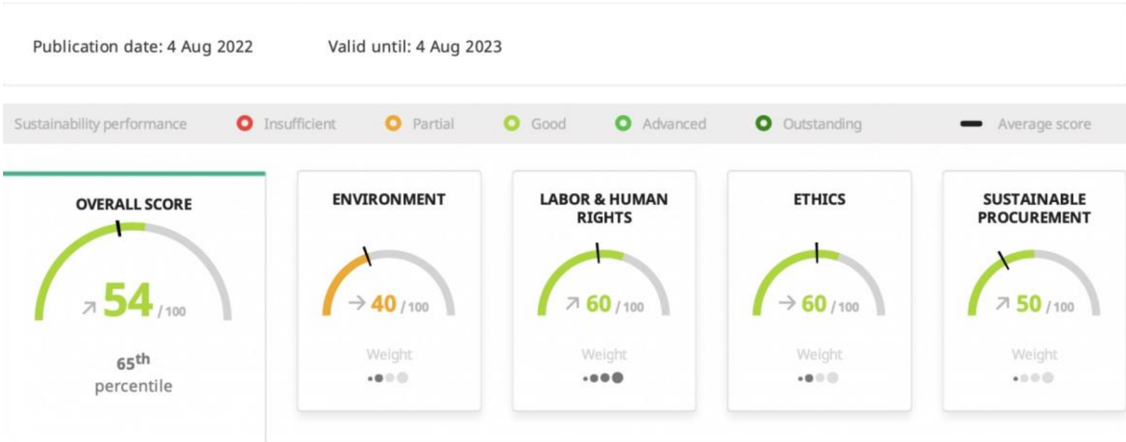
The governance plan includes communication and reporting deliverables where updates are provided internally & externally through diverse communication means such as monthly updates, yearly reporting and through the Stibo Systems' website.

Management's review

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, Labour and Human Rights, Ethics, and Sustainable Procurement. The results and knowledge from the assessment report contributed to the configuration of targets and 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 July / August 2023 to reflect Stibo Systems continuous improvements and drive further action.

The below picture shows the scoring in the four areas assessed by Ecovadis as well as the overall score. This brought Stibo Systems to the 65th percentile meaning that the company is performing equal or better than 65% of the companies scored by Ecovadis. Stibo Systems aims to achieve silver in the next rating.



Science Based Targets and De-carbonization

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., however there are Greenhouse Gas emissions related to several other business activities.

Stibo Systems choose to commit to Science Based Targets through the Science Based Targets initiative (SBTi). This aligned fully with the ESG strategy that was launched in July 2022 and specifically to pillar 1 where Stibo Systems aims to reduce the climate and environmental footprint.

Supported by consulting organization EY, Stibo Systems prepared the required carbon account for base year 2021 / 2022. This includes all CO2e emissions under scope 1, 2 and 3. The ability to fully report on these emissions also prepares Stibo Systems for the upcoming CSRD requirements.

The full carbon account for base year 2021 / 2022 can be seen in the picture below. Please note that this includes the CO2e emission for the full Stibo SW Group as the decision was made to include not only Stibo Systems however also the other entities (Stibo DX and A/S) under the Stibo SW Group in the SBTi commitment and de-carbonisation plans. This to make sure no emissions were omitted and to provide a full and transparent view of all greenhouse gas emissions.

The carbon account is relevant for fiscal year 2022 / 2023 (as is the focus in this report) and not expected to deviate from the base year of 2021 /2022. Stibo Systems and the Stibo SW group cannot report on the exact 2022/2023 numbers due to the nature of preparing a carbon account and the time it takes (4-5 months) currently. Several carbon accounting reporting actions have started which will make the reporting as fast as the financial reporting and this is expected to be in place by next fiscal year.

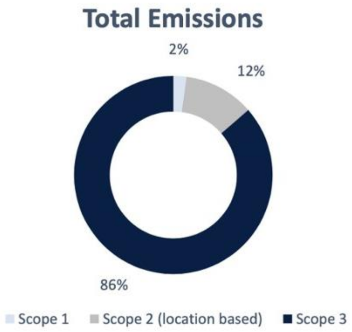
Management's review

The main difference between 2021/2022 and 2022/2023 emissions will be in business travel (higher), energy use (lower emissions) and use of sold goods (lower due to the move of customers from on premise HW solutions to Microsoft Azure Cloud solutions with significantly lower related emissions). Overall, the total is not expected to deviate more than 5%.

Stibo SW Group Carbon Account

Data has been collected, categorized and calculated and constitutes the basis of an estimated total climate account covering Stibo Systems, DX and A/S

Carbon Account 2022		
Scope 1	93,49	Tonnes CO2e
Scope 2 (location-based)	508,40	Tonnes CO2e
Scope 3	3.817,11	Tonnes CO2e
1: Purchased goods and services	965,41	Tonnes CO2e
2: Capital goods	56,65	Tonnes CO2e
3: Fuel- and energy related activities	37,91	Tonnes CO2e
4: Upstream transportation and distribution	43,95	Tonnes CO2e
5: Waste generated in operations	1,08	Tonnes CO2e
6: Business travel	527,17	Tonnes CO2e
7: Employee Commuting	501,52	Tonnes CO2e
11: Use of sold products	1.683,43	Tonnes CO2e
Total (location-based)	4.419,00	Tonnes CO2e



The calculation of the emissions as shown above are based on the Greenhouse Gas protocol and follow the USEEIO emission factors. Please note that these numbers are the emissions for base year 2021/2022 prepared during the period September 2022 – January 2023 in support by EY and in line with the greenhouse gas protocol and SBTi requirements.

Stibo Systems is currently preparing the full SBTi validation submission and aims to complete this by October 2023.

In line with this, Stibo Systems prepared a carbon reduction action plan including plans (among others) to move more customers to the Microsoft Azure Cloud (lowering scope 3, sold goods emissions), placing solar panels on the Denmark headquarters and to introduce an updated and strongly enforced green travel policy.

Stibo Systems has achieved a steady reduction in energy consumption due to employees continuing to work from home and several energy saving activities, mainly in the Højbjerg headquarters. 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 as well.

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

Risk
Stibo Systems contributes to climate change through our CO2e emissions. This contribution cannot be avoided yet, 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.

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.

Management's review

Water

Stibo Systems and the Stibo SW Group has reduced water consumption by approximately 30% by gathering rainwater from the 5000 m2 roof in water tanks, which can contain around 50.000 liters of rainwater, and reusing it, mainly for Stibo's restroom facilities. The total water usage for 2021/2022 in the Højbjerg headquarters is 1.860M3.

Waste

Stibo Systems prioritizes proper management of waste through recycling and waste prevention.

Several waste prevention programs are already in place and additional ones are in preparation. One example of a program that is in place comes from the Stibo Systems canteen at the headquarters in Højbjerg where all food leftovers are combined for usage for the next day's lunch, and on Fridays, employees can buy left over food at a discounted rate and where possible (within food safety and hygiene standards) food is donated. Together with strict planning the waste is kept to an absolute minimum.

As another example, Stibo Systems India has focus on reducing plastic/paper waste and in ensuring responsible waste management by education employees and by pushing the facilities management team in the IT park (Primeco Towers) to do proper waste segregation and disposal. Due to their efforts, Primeco is pushing all other tenants to separate out the waste accordingly and there is notable improvement in this area.

Finally, the Stibo Systems facilities team are reviewing the possibility to have full recycling options in all offices globally. The aim is to have this in place before the end of the current fiscal year 2022/2023.

Further waste programs are in preparation, and this includes metrics around waste and reduction effectiveness as well as waste recycling.

Energy

The total electricity used for the headquarters in Højbjerg is 1.893.099 kWh. This number is the total for the Stibo SW Group and the Stibo Systems estimated share is around 75% of this number.

The total Stibo SW Group consumption globally is calculated at 2,249 MWH and the Stibo Systems share of this is around 75% of this number as well. Heating consumed another 474 MWh.

Consumption has decreased by ~3% year over year in the last five years due to several energy saving activities and initiatives.

Stibo Systems is currently reviewing green certified energy together with solar panels on the roof of the headquarters in Højbjerg. The expectation is that Stibo Systems in Højbjerg will run on 100% renewable energy before the end of fiscal year 2023/24.

Air Pollution

Due to the nature of Stibo Systems' business and operations, air pollution is found to be minimal and negligible. This except for the greenhouse gas emissions (CO_2e) which are all measured and documented in the carbon account in detail. This includes scope 1 emissions (diesel and petrol fuel for company owned cars and a generator and a very small amount of Ammonia NH_3 (~15 kg) and R404A (~1,05 kg), both in closed loop circuits not expecting to generate any pollution. All scope 2 and 3 emissions relate to CO_2e for use of electricity, business travel and procure goods as examples and can be seen on the Stibo SW Group Carbon Account overview above.

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.

Management's review

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 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.

Stibo Systems have not identified any incidents of corruption, violation of human rights or bribery in 2022/23 and we expect the same result in 2023/24.

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 into the employees' satisfaction levels.

Stibo Systems continues to use Workday Peakon as a tool that helps continuously listen to our employees via confidential feedback. Throughout last year, we have ensured that people leaders understand the value of engaging with their employees via the tool and acting on the suggestions of improvement for how we work.

To ensure constant check in, we have introduced quarterly, on topic surveys, which allow us to measure the state of engagement, health and wellbeing, response to our efforts to make our workplace a more inclusive place of work and provide their opinion on the ongoing company transformation. We are progressing well to becoming a workplace with a highly engaged workforce, as per our aspiration.

People and Culture play a key part in supporting the actions by providing people leader development, wellbeing programs and a place to discuss things that matter to our employees such as Women in Stibo Systems forum, established earlier this year.

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 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 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. We are focused on diversifying our staff and especially our leadership positions where at least 25% of our leadership must be female within the FY 24/25.

In 2022/23, there have not reported any violations of guidelines and policies, discrimination, illegal or criminal activities.

Stibo Systems will in 2023/24 continue to follow and support the UN's Global Compact

Management's review

Diversity, Equity, and Inclusion

As per the Stibo Systems ESG strategy, the target it to have a maximum of 70% of one gender in management and leadership positions by 2025. This to allow for woman (current gender being underrepresented) to have increasing career opportunities and influence in the company.

Currently Stibo Systems is at 77% with 23% woman in leadership positions. Stibo Systems aims to achieve these set targets by a range of programs increasing the reach to woman in the IT industry and increasing the number of women having career possibilities internally. The Redi school engagement is one such program (mentioned in this report, see the volunteering and societal engagement section), assuring a diverse talent pool another. Also, there is the woman of Stibo Systems forum supporting woman in the company and identifying any possible obstacles to a career progress and equity & inclusion in general.

Additional plans in the space of diversity, equity and inclusion are in preparation where the focus will continue to be on attracting women as well as an increased diverse talent pool.

All people leaders and all employees are required to go through DE&I training.

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, this has been emphasized throughout 2022/23.

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 reports to the whistleblower scheme in 2022/23 and we expect the same result in 2023/24.

Volunteering projects conducted throughout 2022/2023

Stibo Systems provides the opportunity for all employees to volunteer and make a difference in their local community by letting them work for up to 2 days with an organization or project. In addition to this, Stibo Systems has a group of CSR ambassadors who organize these types of volunteering activities for their local offices. They have successfully managed – together with the contributing employees – to support their local communities with several impactful initiatives.

Stibo Systems has a target of 25% of all employees engaged in one of these volunteering activities by 2025 (as per pillar 3 of the ESG strategy). In 2022/23, close to 15% of employees participated which is more than double the number of employees compared to the year before.

Below are some selected CSR initiatives conducted in 2022/2023. The CSR initiatives are all aligned with the four chosen UN sustainability Development Goals and specifically cover Environmental Preservation and Sustainability, Technology Education, and Community Support.

Management's review

Environmental Preservation and Sustainability

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 by 2025.

Global - Plant a tree for every new hire, customer, and partner

Starting February 2022, we have partnered with an external company, Treedom, to plant a tree for every new hire, new customer, and new partner. 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 (this is not used by Stibo Systems as part of the Science Based Target initiative commitment – this comes on top of this). In total, over 270 trees have been planted since February 2022. An additional 67 will be planted to reflect the new number of customers and partners during 2022/23.

Colombia -Trees Planting Day

The team from LATAM joined together for a tree planting day in La Calera (near Bogotá), Colombia. This was organized in cooperation with the non-profit organization: Fundación Humedales de Colombia on Thursday December 1st, 2022. 40 volunteers from Colombia, Chile, México, and Brazil participated.

Technology Education

India – Finishing School Program

The Indian CSR team conducted their third Finishing School Program to support students from poor backgrounds. In this year's program, 4 participants attended the entire course and successfully completed the training and assignments receiving completion certificates along with access to courses on Udemy

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 to match their interest, to help the students achieve the full benefits of the courses.

Community Support

Sleeping Bags Donation Program

The Stibo Systems India CSR Team organized a sleeping bag distribution program for the homeless people. They called for a fund collection and received contributions from 25 employees totaling Rs 30,450. An equal amount was added from the Stibo Systems CSR fund, so in total they raised Rs 60,900 for this activity. They were able to order 75 branded sleeping bags for this reason, of which most have been distributed by the Stibo Systems employees.

Management's review

France volunteering days

On June 8th, 2022, the French team held their first Volunteering Day ever. A group of Stibo Systems employees gathered in "Paray-Vieille-Poste", a small city close to Orly Airport, in the south of Paris, where a group of cooperative associations acquired an old farm composed of several buildings and a big garden.

Their objective was to create a sustainable place promoting an ethical transition: economic, ecological, social, and societal. Their project is organic, collective and aims to fight food insecurity, social inequalities, isolation, and unemployment.

The Stibo Systems volunteers supported the garden transformation, by clearing up patches and planting new produce which was followed by a second day on June 15th. In total 14 employees helped to restore the old farm and prepare a permaculture.

The French team then had their 3rd volunteering day on April 19th where 15 people from many places in France spend a whole Volunteering Day in the "Jardin du Piqueur", an old farm with a big garden that came back to life thanks to charitable associations helping unemployed people to reintegrate in a professional life.

They planted tens of raspberries shrubs all along the garden, helped to build a "sensory journey for children", and planed numerous seedlings.

Denmark – Ukraine donations

In March and April 2023, the Danish team collected essential supplies for those affected by the ongoing conflict in Ukraine and managed to collect and send six moving boxes filled with non-perishable food items, hygiene products and other necessities such as sleeping bags, candles, and warm blankets.

US Grocery Spot

19 Stibo employees from the Atlanta/Wildwood office participated in volunteer days at The Grocery Spot in September and December 2022.

The Grocery Spot (www.thegroceryspot.org) is an amazing organization that obtains donated grocery items and sets up its own small grocery store for people in need – for free. They feed an average of 400 people a day, 3 times a week – and provide over 50,000 pounds of food a week to people in their surrounding community.

The Stibo volunteers stocked up shelves, unloaded boxes of food & items from the loading truck, assisted people find what they needed, organized, and cleaned up.

ReDI School

In December 2022 Stibo Systems formally started the engagement with ReDI School Aarhus. ReDI School is a non-profit tech school for women with migrant- and refugee background, offering a free program, including IT and tech courses on several levels. Stibo Systems hosted the ReDI school Demo Day in December 2022 where the students, teachers and sponsors had the opportunity to get together, and the students could present their studies and achievements. It also included the graduation ceremony.

Impressed by the stories and achievements from both the students and Redi school itself, Stibo Systems decided to expand the engagement and support a comprehensive mentoring program. Kicked-off in April 2023, the mentoring program includes 16 Stibo Systems and Stibo DX mentors with nearly 50 mentees received coaching and other valuable support. Another demo day and further continuation and expansion of the program is planned for 2023/ 2024.

Management's review

The Netherlands – Salvation Army

On Friday 1st of July 2022, the Stibo Benelux Team had the honor and opportunity to support the Salvation Army in the Dutch city Utrecht.

The local community center, which acts as the sports ministry, brings people together from the neighborhood including refugees to connect them and prevent loneliness. Visitors can also participate in (sports) activities and different events.

The Benelux team was asked to refurbish the outside area where activities mostly take place. Amongst other things they created a play area for Pétanque, sanded and painted outside furniture, made a fence around their garden, provided sunscreens and donated sports equipment.

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, the 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.

UK – Diversity and Inclusion Book Aid in celebration to a World Book Day

St John's CoE is a central Reading school with majority of the children coming from poor and diverse background with English not being their first language. Their families often work several shifts and have little or no time to read with their children. The school has just had a local building firm build a new library shelf for the children, but they needed books to fill it with.

Stibo Systems UK offered a group of volunteers and spent the day at the school reading books on diversity and inclusion generously donated by their UK colleagues.

Results and expectation for the work ahead

In line with the ESG strategy, Stibo Systems will continue with the volunteering activities and societal engagements and aim to increase the number of projects and employees that take part in this.

Further, carbon emission reductions in line with SBTi and pillar 1 of the ESG strategy will be achieved through several initiatives. Some are in the planning stage and others in the preparation stage. Examples of the latter are an updated travel policy, implementing solar panels on the roof of the Stibo HQ in Højbjerg, moving over ore customers to Stibo SaaS (Microsoft Azure platforms) and working with suppliers to reduce their carbon impact.

Also, carbon accounting process improvements in line with SBTi are in preparation and a SW package is currently in review which will help to record and report on the carbon accounting data faster and in a more automated way. This will enable a yearly carbon report together with the yearly fiscal report (reporting on the previous fiscal year and reviewing this in line with the base year 2021 / 2022 and the SBTi & CSRD requirements).

In terms of diversity, equity and inclusion, more initiatives and actions will be rolled out after gathering insight and further knowledge in this area both internally and externally from experts and relevant networks. This to make sure the focus is as effective and relevant as possible.

Management's review

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.

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 2023 is that the board consists of 1 female and 2 male members elected by the General Assembly. A new board was elected May 1, 2022, there were no changes in the board during 2022/23.

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 2023, other management is defined as the Executive Management team, which consists of seven persons of whom two are female and 5 are men.

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

Income statement

Note	DKK'000	Consolidated 2022/23	Consolidated 2021/22	Parent company 2022/23	Parent company 2021/22
2	**Revenue**	1,056,773	918,950	1,017,508	917,943
	Raw materials and consumables	-152,551	-128,835	-729,980	-694,480
	Other external costs	-171,023	-154,874	-77,615	-75,895
	Gross profit	733,199	635,241	209,913	147,568
3	Staff costs	-604,340	-597,606	-148,668	-155,082
4	Depreciation, amortisation and impairment losses	-15,042	-13,248	-6,390	-5,279
	Operating profit	113,817	24,387	54,855	-12,793
10	Profit of group entities after tax	0	0	37,557	23,983
5	Financial income	2,677	252	626	663
6	Financial expenses	-6,949	-1,049	-5,484	-262
	Profit before tax	109,545	23,590	87,554	11,591
7	Tax on profit for the year	-51,652	-629	-29,661	11,370
	Profit for the year	57,893	22,961	57,893	22,961

Proposed profit allocation

DKK'000	2022/23	2021/22
Proposed dividends	50,000	0
Transfer to reserve for net revaluation according to the equity method	37,557	23,983
Retained earnings	-29,664	-1,022
	57,893	22,961

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

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	30 April 2023	30 April 2022	30 April 2023	30 April 2022
	ASSETS				
	Non-current assets				
8	**Intangible assets**				
	Goodwill	4,165	3,201	4,165	3,201
	Other intangible assets	15,318	13,359	11,123	8,647
		19,483	16,560	15,288	11,848
9	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	2,238	2,298	120	114
	Leasehold improvements	13,807	18,095	0	0
		16,045	20,393	120	114
	Non-current financial assets				
10	Investments in subsidiaries	0	0	104,825	119,258
	Deposits	3,767	3,770	2,825	2,910
		3,767	3,770	107,650	122,168
	Total non-current assets	39,295	40,723	123,058	134,130
	Current assets				
	Receivables				
	Trade receivables	198,644	202,166	13,179	23,640
11	Contract work in progress	10,901	7,089	5,160	3,673
12	Receivables from group entities	166,528	122,210	163,737	62,895
13	Deferred tax asset	28,076	53,906	26,258	46,733
	Corporation tax	6,495	4,804	0	0
	Other receivables	4,599	6,564	6	3,899
	Prepayments	69,514	67,870	34,367	37,119
		484,757	464,609	242,707	177,959
	Cash	283,902	185,744	85,101	28,114
	Total current assets	768,659	650,353	327,808	206,073
	TOTAL ASSETS	807,954	691,076	450,866	340,203

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

Balance sheet

Note	DKK'000	Consolidated 30 April 2023	Consolidated 30 April 2022	Parent company 30 April 2023	Parent company 30 April 2022
	EQUITY AND LIABILITIES				
14	**Equity**				
	Share capital	50,000	50,000	50,000	50,000
	Net revaluation acc. to the equity method	0	0	67,825	82,026
	Currency revaluation reserve	459	5,157	0	0
	Retained earnings	152,822	144,929	85,456	68,060
	Proposed dividends	50,000	0	50,000	0
	Total equity	253,281	200,086	253,281	200,086
	Provisions				
13	Deferred tax	315	834	0	0
	Total provisions	315	834	0	0
	Liabilities				
	Current liabilities				
	Prepayments from customers	418,878	341,288	76,213	74,886
11	Prepayments for contract work in progress	5,759	4,619	0	560
	Trade payables	26,508	35,012	7,981	12,561
	Payables to group entities	0	0	81,401	21,890
	Corporation tax	15,680	4,268	10,900	0
	Other payables	87,533	104,969	21,090	30,220
		554,358	490,156	197,585	140,117
	Total liabilities	554,358	490,156	197,585	140,117
	TOTAL EQUITY AND LIABILITIES	807,954	691,076	450,866	340,203

1 Accounting policies
15 Mortgages, collateral and contingent liabilities
16 Lease obligations
17 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 2022	50,000	144,929	5,157	0	200,086
Profit for the year	0	7,893	0	50,000	57,893
Dividend distributed	0	0	0	0	0
Foreign exchange adj. on the translation of foreign entities	0	0	-4,698	0	-4,698
Equity at 30 April 2023	50,000	152,822	459	50,000	253,281

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 2022	50,000	68,060	82,026	0	200,086
Profit for the year	0	-29,664	37,557	50,000	57,893
Foreign exchange adj. on the translation of foreign entities	0	0	-4,698	0	-4,698
Transfer	0	-2,017	2,017	0	0
Distributed dividends	0	49,077	-49,077	0	0
Equity at 30 April 2023	50,000	85,456	67,825	50,000	253,281

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

Cash flow statement

Note	DKK'000	Consolidated 2022/23	Consolidated 2021/22
	Operating profit	113,817	24,387
	Depreciation	11,416	9,590
	Cash generated from operations (operating activities) before changes in working capital (EBITDA)	125,233	33,977
	Changes in working capital	60,902	20,824
	Cash flows from operating activities	186,135	54,801
5	Financial income	2,677	252
6	Financial expenses	-6,949	-1,049
	Other adjustments	516	-1,111
	Cash generated from operations (ordinary activities)	182,379	52,893
	Corporation tax paid	-16,620	-15,774
	Cash flows from operating activities	165,759	37,119
8,9	Acquisition of intangible assets and property, plant and equipment	-10,824	-5,487
8,9	Disposal of property, plant and equipment	0	0
	Cash flows from investing activities	-10,824	-5,487
	Changes in receivables from group entities	-52,399	2,060
	Loans provided to group entities	0	-76,848
	Dividends paid	0	-35,000
	Cash flows from financing activities	-52,399	-109,788
	Cash flows for the year	102,536	-78,156
	Cash and cash equivalents at 1 May	185,744	257,691
	Exchange gains/losses on cash and cash equivalents	-4,378	6,209
	Cash and cash equivalents at 30 April	283,902	185,744

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 2022/23 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 2022/23 regarding auditors' fee.

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.

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.

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

Notes

1 Accounting policies (continued)

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.

Cost of sales

Cost of sales comprise purchases of software, hosting, and services for the year.

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, which mainly include marketing, travel, external consultants, rent and recharge cost from group companies.

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.

Depreciation and amortisation

Comprises depreciation of property, plant and equipment.

Profits 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.

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

Notes

1 **Accounting policies (continued)**

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.

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.

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

Notes

1 **Accounting policies (continued)**

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 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.

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.

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

Notes

1 **Accounting policies (continued)**

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.

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, sale of software and related activities.

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

Notes

1 **Accounting policies (continued)**

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	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss x 100}}{\text{Average operating assets}}$
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	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

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

Notes

	DKK'000	Consolidated 2022/23	Consolidated 2021/22	Parent company 2022/23	Parent company 2021/22
2	**Segment information**				
	Geographical breakdown of revenue				
	Denmark	27,211	31,366	27,211	31,366
	Rest of Europe	488,033	441,344	488,033	441,344
	USA and Canada	413,211	328,140	413,211	328,140
	Asia and rest of world	128,318	118,100	89,053	117,093
		1,056,773	918,950	1,017,508	917,943
3	**Staff costs**				
	Wages and salaries	527,626	522,551	137,510	144,801
	Pensions	24,019	22,376	9,657	8,899
	Other social security costs	52,695	52,679	1,501	1,382
		604,340	597,606	148,668	155,082
	Average number of full-time employees	728	735	193	181

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

	DKK'000	Consolidated 2022/23	Consolidated 2021/22	Parent company 2022/23	Parent company 2021/22
4	**Depreciation, amortisation and impairment losses**				
	Goodwill	798	651	798	651
	Other intangible assets	5,937	4,898	3,648	2,722
	Fixtures and fittings, other plant and equipment	1,025	857	75	34
	Leasehold improvements	3,656	3,184	0	0
	Minor new acquisitions	3,626	3,658	1,869	1,872
		15,042	13,248	6,390	5,279
5	**Financial income**				
	Financial income from Group enterprises	1,587	214	263	0
	Other financial income	1,090	38	363	663
		2,677	252	626	663
6	**Financial expenses**				
	Financial expenses to Group enterprises	0	0	771	0
	Other financial expenses	6,949	1,049	4,713	262
		6,949	1,049	5,484	262

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

Notes

DKK'000	Consolidated 2022/23	Consolidated 2021/22	Parent company 2022/23	Parent company 2021/22
7 Tax on profit for the year				
Current tax for the year	28,192	18,471	11,174	239
Change in deferred tax prior year's	19,592	0	19,592	0
Change in deferred tax	4,106	-18,456	-867	-12,223
Changes to prior year	-238	614	-238	614
	51,652	629	29,661	-11,370

Change in deferred tax regarding previous years is relating to an updated management estimate of deduction for cost incurred related to R&D activities based on updated administrative practice and interpretation by tax authorities.

8 Intangible assets

DKK'000	Consolidated Goodwill	Consolidated Other intangible assets	Parent company Goodwill	Parent company Other intangible assets
Cost at 1 May 2022	4,557	24,507	4,557	14,057
Foreign exchange adjustments in foreign entities	0	-374	0	0
Additions	1,762	7,941	1,762	6,124
Cost at 30 April 2023	6,319	32,074	6,319	20,181
Depreciation charges at 1 May 2022	-1,356	-11,148	-1,356	-5,410
Foreign exchange adjustments in foreign entities	0	329	0	0
Amortisation charges	-798	-5,937	-798	-3,648
Amortisation charges at 30 April 2023	-2,154	-16,756	-2,154	-9,058
Carrying amount at 30 April 2023	4,165	15,318	4,165	11,123
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 2022	9,364	25,526	5,310
Foreign exchange adjustments in foreign entities	-288	-1,206	0
Additions	1,077	44	81
Disposals	-4,054	0	-4,029
Cost at 30 April 2023	6,099	24,364	1,362
Depreciation charges at 1 May 2022	-7,066	-7,431	-5,196
Foreign exchange adjustments in foreign entities	188	530	0
Depreciation charges	-1,025	-3,656	-75
Disposals	4,042	0	4,029
Depreciation charges and impairment losses at 30 April 2023	-3,861	-10,557	-1,242
Carrying amount at 30 April 2023	2,238	13,807	120
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 2022/23	Parent company 2021/22
10 Investments in subsidiaries		
Cost at 1 May	37,232	37,612
Additions	1,793	0
Disposals	-2,025	-380
Cost at 30 April	37,000	37,232
Value adjustments at 1 May	82,026	52,150
Foreign exchange adjustments, foreign group entities	-4,698	9,235
Profit of group entities after tax	37,557	23,983
Dividends	-49,077	-3,722
Disposals	2,017	380
Adjustments at 30 April	67,825	82,026
Carrying amount at 30 April	104,825	119,258

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 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 2022/23	Consolidated 2021/22	Parent company 2022/23	Parent company 2021/22
11 Contract work in progress				
Recognised as follows:				
Contract work in progress	10,901	7,089	5,160	3,673
Prepayments for contract work in progress	-5,759	-4,619	0	-560
	5,142	2,470	5,160	3,113

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

Notes

12 Receivables from group entities

Stibo Systems A/S is a part of af cash pool-arrangement with the groups main bank connection, where Stibo Software Group A/S is the accountholder and Stibo Systems A/S is sub-account holder.

Stibo Systems A/S' sub-accounts in the cash pool-arrangement, that is recognized under Receivables from group entities, amounts to DKK 91.061 thousand (30 April 2022: Receivables amounted to DKK 38.662 thousand).

	Consolidated		Parent company	
DKK'000	2022/23	2021/22	2022/23	2021/22
13 Deferred tax				
Deferred tax at 1 May	-53,072	-39,416	-46,733	-39,388
Foreign exchange adjustments	-137	-78	0	0
Transfer from Corporation Tax	1,750	4,878	1,750	4,878
Changes regarding previous years, see note 7	19,592	0	19,592	0
Changes for the year, see note 7	4,106	-18,456	-867	-12,223
Deferred tax at 30 April	-27,761	-53,072	-26,258	-46,733
Deferred tax asset	-28,076	-53,906	-26,258	-46,733
Deferred tax liability	315	834	0	0
	-27,761	-53,072	-26,258	-46,733

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	2022/23	2021/22
Proposed dividends	50,000	0
Transfer to reserve for net revaluation according to the equity method	37,557	22,983
Retained earnings	-29,664	-22
	57,893	22,961

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.

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 falling due within 5 years totalling DKK 6.6 million (2021/22: DKK 6.7 million).

Other lease obligations (operating leases) falling due within 3 years total DKK 0.5 million (2021/22: DKK 0.5 million).

Consolidated

The Group has entered into rent obligations falling due within 8 years and totalling DKK 92.8 million (2021/22: DKK 101.2 million).

Other lease obligations (operating leases) falling due within 5 years total DKK 5.5 million (2021/22: DKK 5.1 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 Software Group 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 2022/23 with related parties:

DKK'000	Consolidated	Parent company
Income[1]	19,129	869,223
Expenses[1]	41,594	687,575
Net financial income and expenses[2]	1,587	-508
Receivables from group entities[3]	166,528	163,737
Payables to group entities[3]	0	81,401
Dividend received	0	49,047

1 Includes sales and purchases of 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
2023-06-27 16:04:10 UTC

Adrian Carr

Adrian Neil Carr
Board of Directors
On behalf of: Stibo Systems A/S
Serial number: adrc@stibosystems.com
IP: 217.28.xxx.xxx
2023-06-27 16:05:30 UTC

Adrian Carr

Jeppe Meulengracht Fogh
Chairman
On behalf of: Stibo Systems A/S
Serial number: 3e9e4724-e17e-450d-96d0-5a8f01d5cb8a
IP: 87.49.xxx.xxx
2023-06-27 17:58:50 UTC

MitID

Kathrine Ravn Stougaard
Board of Directors
On behalf of: Stibo Systems A/S
Serial number: 98de4d65-b663-4761-a426-14ce07814d2b
IP: 217.28.xxx.xxx
2023-06-28 11:35:03 UTC

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Morten Friis
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:1267450157119
IP: 194.182.xxx.xxx
2023-06-29 12:57:06 UTC

NEM ID

Jeppe Meulengracht Fogh
Chairman
On behalf of: Stibo Systems A/S
Serial number: 3e9e4724-e17e-450d-96d0-5a8f01d5cb8a
IP: 217.28.xxx.xxx
2023-07-03 07:03:04 UTC

MitID

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