

PROGRESS SOFTWARE A/S

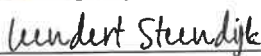
Sundkrogsgade 21
2100 København Ø
Business Registration No
77357211

**Annual report 01.12.2022
- 30.11.2023**

The Annual General Meeting adopted the annual report on 30.04.2024

Chairman of the General Meeting

DocuSigned by:



Name: Leendert Steendijk

PROGRESS SOFTWARE A/S

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Entity details

Entity

PROGRESS SOFTWARE A/S

Sundkrogsgade 21

2100 København Ø

Central Business Registration No (CVR): 77357211

Registered in: København

Financial year: 01.12.2022 - 30.11.2023

Board of Directors

Domenic Lococco

Leendert Steendijk

YuFan Stephanie Wang

Executive Board

Leendert Steendijk

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of PROGRESS SOFTWARE A/S for the financial year 01.12.2022 - 30.11.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.11.2023 and of the results of its operations for the financial year 01.12.2022 - 30.11.2023.

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

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

Copenhagen, 30.04.2024

Executive Board

Leendert Steendijk

Board of Directors

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Domenic Lococo
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Domenic Lococo

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Leendert Steendijk
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Leendert Steendijk

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YuFan Stephanie Wang
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YuFan Stephanie Wang

Statements from Independent Audit

To the shareholder of PROGRESS SOFTWARE A/S

Opinion

We have audited the financial statements of Progress Software A/S for the financial year 01.12.2022 - 30.11.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.11.2023 and of the results of its operations and cash flows for the financial year 01.12.2022 - 30.11.2023 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 financial statements" section of this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Statements from Independent Audit

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Statements from Independent Audit

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance by relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

The company's main activity comprises sale and distribution of computer development software and related support, training and consultancy services.

Development in activities and finances

The profit for the year amount to DKK 315.350. Equity at 30.11.2023 amounts to DKK 3.167.855.

Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the annual report.

Income statement for 2022/2023

	<u>Notes</u>	<u>2022/2023</u> <u>DKK</u>	<u>2021/2022</u> <u>DKK</u>
Gross profit	1	263.633	207.771
Depreciation, amortization and impairment losses			
Operating profit/loss		263.633	207.771
Other Financial income	3	150.157	-
Other financial expenses	4	(9.171)	(49.518)
Profit/loss before tax		404.615	158.253
Tax on profit/loss for the year	5	(89.265)	(47.790)
Profit/loss for the year		315.350	110.463
Proposed distribution of profit/loss			
Retained earnings		315.350	110.463
		315.350	110.463

Balance sheet at 30.11.2023

	<u>Notes</u>	<u>2022/2023</u> <u>DKK</u>	<u>2021/2022</u> <u>DKK</u>
Trade receivables		2.315.943	3.190.005
Income tax receivable		1.149	7.999
Deferred tax		437.145	507.550
Prepayments		1.920	1.745
Receivables		<u>2.756.157</u>	<u>3.707.300</u>
Cash		<u>3.307.236</u>	<u>2.923.100</u>
Current assets		<u>6.063.393</u>	<u>6.630.400</u>
Assets		<u>6.063.393</u>	<u>6.630.400</u>

Balance sheet 30.11.2023

	<u>Notes</u>	<u>2022/2023</u> DKK	<u>2021/2022</u> DKK
Contributed capital		500.000	500.000
Retained earnings		<u>2.667.855</u>	<u>2.352.506</u>
Equity		<u>3.167.856</u>	<u>2.852.506</u>
Payables to group enterprises		440.482	447.110
Other payables		465.956	1.066.994
Deferred income		<u>1.989.099</u>	<u>2.263.789</u>
Current liabilities other than provisions		<u>2.895.537</u>	<u>3.777.893</u>
Liabilities other than provisions		<u>2.895.537</u>	<u>3.777.893</u>
Equity and liabilities		<u>6.063.393</u>	<u>6.630.400</u>
Staff costs	2		
Related parties with controlling interest	6		
Group relations	7		

Statement of changes in equity for 2022/2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	2.352.506	2.852.506
Profit/loss for the year	-	315.350	315.350
Equity end of year	500.000	2.667.855	3.167.855

Notes

1. Gross profit

For competitive reasons, disclosure is only made of gross profit. We refer to section 32 of the Danish Financial Statements Act. Gross profit includes revenue, less cost of sales and other external expenses.

	2022/2023	2021/2022
	DKK	DKK
2. Staff costs		
Average number of employees	Nil	Nil
	2022/2023	2021/2022
	DKK	DKK
3. Other financial income		
Other interest income	-	
Exchange rate adjustments	150.157	-
	150.157	-
	2022/2023	2021/2022
	DKK	DKK
4. Other financial expenses		
Other interest expenses	-	13.943
Exchange rate adjustments	9.172	35.575
	9.172	49.518
	2022/2023	2021/2022
	DKK	DKK
5. Tax on profit/loss for the year		
Current tax	18.861	12.974
Change in deferred tax	70.404	34.817
Adjustments to previous years	-	-
	89.265	47.790

6. Related parties with controlling interest

Progress Software Corporation, 15 Wayside Road, Suite 400, Burlington, Massachusetts 01803, USA

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Progress Software Corporation, 15 Wayside Road, Suite 400, Burlington, Massachusetts 01803, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

The accounting policies applied to these financial statements are consistent with those applied last year.

Furthermore, receivables and payables from group enterprises have been adjusted to show a clear net receivables or payables position per group instead of per category, for this reason the figures of prior fiscal year have been adjusted in order to improve comparability.

Recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises invoiced sales during the year of licences, consultancy services and service contracts adjusted for prepayments received less cost of sales and other external costs.

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the supply of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage of completion).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Accounting policies

Other external expenses

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

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

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Accounting policies

Deferred income

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