Nextway Software A/S

Birk Centerpark 40, 7400 Herning

CVR no. 10 10 41 06

Annual report 2023/24

Approved at the Company's annual general meeting on 13 January 2025

Chair of the meeting:

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Thomas Hougaard-Enevoldsen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Nextway Software A/S for the financial year 1 July 2023 - 30 June 2024.

The annual report is 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 Company at 30 June 2024 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Herning, 13 January 2025
Executive Board:

Kim Hellum	Thomas Hougaard-Enevoldsen

Board of Directors:

Jonas Gunnar Emanuel Bäckman Chair	Lars Erik Rüger Jepsen	Wessel Geoff Ploegmakers

Independent auditor's report

To the shareholders of Nextway Software A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Nextway Software A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for 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 June 2024, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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 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 the financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Independent auditor's report

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.

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.

Herning, 13 January 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Stier State Authorised Public Accountant mne42245	Steffen Michael Bach State Authorised Public Accountant mne45892

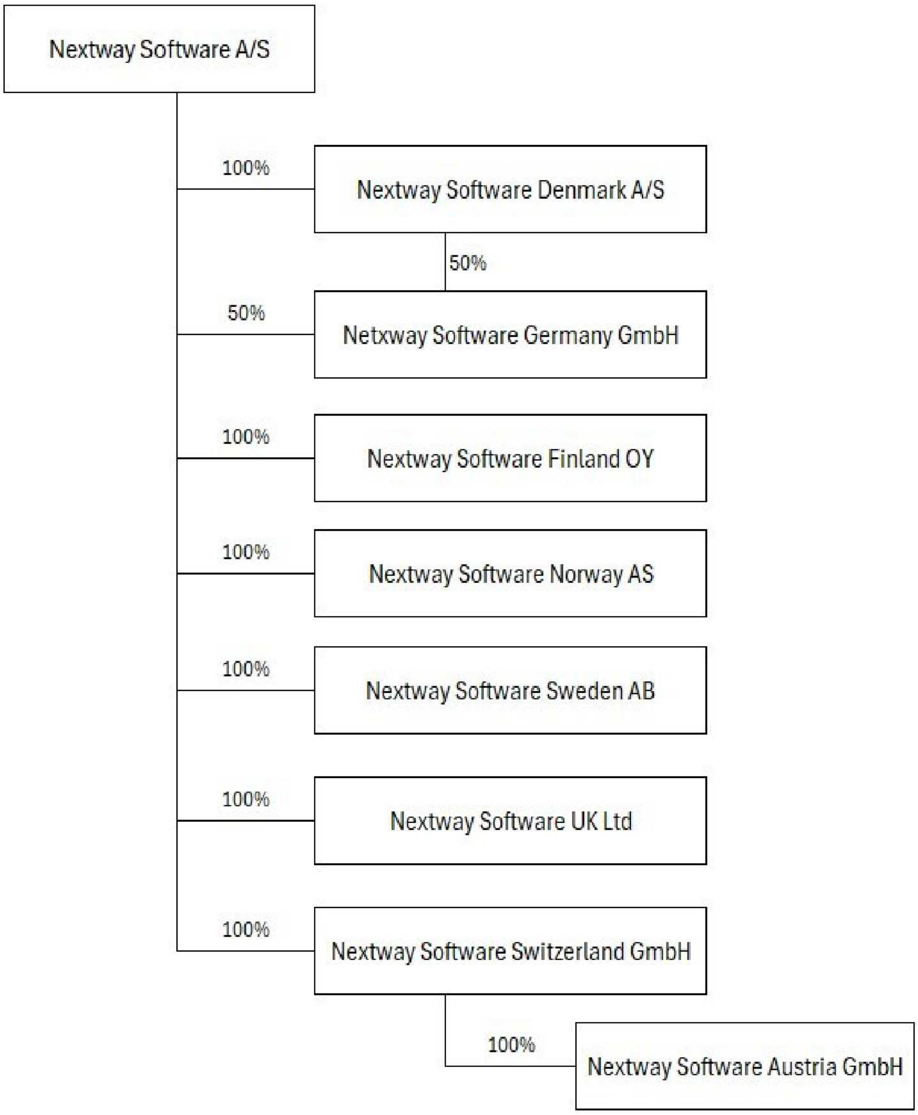
Management's review

Company details

Name	Nextway Software A/S
Address, Postal code, City	Birk Centerpark 40, 7400 Herning
CVR no.	10 10 41 06
Established	14 December 1985
Registered office	Herning
Financial year	1 July 2023 - 30 June 2024
Board of Directors	Jonas Gunnar Emanuel Bäckman, Chair Lars Erik Rüger Jepsen Wessel Geoff Ploegmakers
Executive Board	Kim Hellum Thomas Hougaard-Enevoldsen
Auditors	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

EUR	2023/24	2022/23	2021/22	2020/21	2019/20
Key figures					
Gross profit	7,780,533	7,669,843	6,761,464	6,887,285	6,100,800
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,214,746	1,970,614	1,292,999	1,426,650	270,525
Operating profit/loss	341,839	1,176,167	530,483	628,025	-439,925
Profit before interest and tax (EBIT)	388,514	1,205,222	584,959	679,130	-413,596
Net financials	-11,628	-13,205	11,660	-176,255	-29,384
Profit for the year	324,800	969,867	524,524	475,329	-346,828
Total assets	8,400,526	6,956,735	7,853,501	8,453,808	7,762,236
Investments in property, plant and equipment	39,632	107,305	61,493	24,037	20,647
Equity	3,210,703	2,861,665	1,987,778	1,491,882	961,667
Cash flows from operating activities	1,660,921	554,744	359,954	2,104,989	1,584,200
Net cash flows from investing activities	-870,244	-800,920	-554,061	-527,912	-593,679
Cash flows from financing activities	-272,132	-1,075,680	-672,115	0	0
Total cash flows	518,545	-1,321,856	-866,222	1,577,077	990,521
Financial ratios					
Current ratio	115.7%	121.0%	119.1%	102.4%	88.0%
Equity ratio	38.2%	41.1%	25.3%	17.6%	12.4%
Return on equity	10.7%	40.0%	30.1%	38.7%	-29.5%
Return on assets	3.5%	15.8%	6.5%	7.7%	-6.3%

For terms and definitions, please see the accounting policies.

Management's review

Business review

Nextway Software helps companies harvest the benefits of digitalization, by replacing processes involving paper, pdf's, spreadsheets, and emails with business relevant easy-to-use software.

Our mission is to make companies more efficient, and people's live at work easier. To many of our customers we deliver, maintain and support business critical software.

Our standard products are based on our own software platform Next®, which has a proven performance record in companies throughout the world and in almost any line of business.

Headquartered in Denmark and with own staffed offices in Switzerland, Germany, Denmark, and Finland, supplemented by staff in Norway and in Austria, we are operating as an international company, serving European customers on a local and global scale. Our set-up enables us to engage with the majority of our customers with local staff backed by international specialists.

We also provide our software as OEM and through implementation partners.

Value-generating revenue streams

- Software as a Service
- Software licenses as subscription
- Software maintenance
- Consultancy

In addition to this, we invest in developing new software products, to secure our future growth.

This year we exceeded our expectations and goals set forward for the year. The financial results have however decreased due to change in volume for Saas revenue and costs related to change of ownership.

In the financial year Nextway continued implementing its 5-year strategy plan with the following focus areas:

- Insurance industry
  In the financial year Nextway hired an experienced SVP with a dedicated responsibility for the initiatives towards the insurance industry, Nextway will strengthen and broaden the efforts toward that specific industry.
- Finance industry
  Based on the strong position in Private Banking, Asset and Wealth Management, Nextway will strengthen the efforts towards the Finance industry.
- Existing and new customers
  Recognizing the enormous potential with the existing customer base, we will invest resources in expanding their solutions. And we will attract new customers, where eCMS (Enterprise Content Management System) is mission critical even if they are not within the Insurance or Finance sectors.

Primary costs

Our primary costs are staff costs for professional services consultants, software engineers, product managers, sales execs, supporting staff, and management.

Other costs

Our organization operate as 'one international software company', allowing us to employ resources wherever they are available and deploy the resources wherever they are needed. This organizational approach enables us continuously to optimize the total admin costs of the company.

Management's review

Operational result

The Group has shown a negative development in financial results from € 969.867 to € 324.800

The Group gross profit of the year is in the amount of € 7.780.533 and index 101 compared to FY 2022/2023. For the parent company the gross profit is € 863.049 and index 51 compared to FY 2022/2023.

This year's Group operational result (EBITDA) is at index 62 compared to last year and a result of our income recognition due to sales on the "Software as a service" business model. For the parent company the EBITDA is at index 29 compared to last year.

The EBT result for the Group is € 376.886 and index 31 compared to last year. The EBT result for the parent company is € 218.866 and index 20 compared to last year.

In last years annual report we expected the Group Gross profit to exceed € 8.400.000 and an EBT to exceed € 1.300.000. For the parent company we expected the Gross profit to exceed € 1.800.000 and a EBT to exceed € 800.000.

A faster transition than expected in sales of "Software as a service" has resulted in a negative short-term effect on our expected financial goals in 2023/2024. As any other "Software as a service" company Nextways growth is measured on ARR (Annual Recurring Revenue) and there the company has exceeded its expectations.

Beside, we had in the fiscal year one-time transactions cost in relation to change of ownership, not taken into our expectation in the budget mentioned last year. Due diligence period was in second half of 2023/2024.

Non-operational costs

When we invest in new software, we will see increased depreciations from the moment the new software reaches the market. In financial year 23/24, like previous years, we successfully launched new products as well as extensions to our existing product portfolio. The depreciations in the future are expected to rise following continued increased investments.

Result before tax (excluding internal currency adjustments)

Our positive result before tax (EBT), represents a solid profit for the company. Based on our new 2027 strategy, we will continue to invest in the right strategic initiatives, enabling us to grow this result as the strategy unwinds in the coming years.

Tax

Nextway is currently not subject to international joint taxation and is taxed locally in each operating market, which is supported by a well-documented transfer pricing policy.

Financial review

Our financial performance is below the result in FY 2022/2023, but is as expected due to income recognition principles. Management finds the development satisfactory and sees this as a direct result of focus and commitment in executing strategic initiatives.

Knowledge resources

As a professional provider of business-critical software, Nextway is dependent on highly skilled and knowledgeable employees throughout the organization. We continuously invest in developing our organization. At the center of these efforts is a set of appreciated core values: Easy, Respectful, Unified, Smart, and Ambitious. Nextway is big enough to matter, and small enough to care.

Management's review

Financial risks and use of financial instruments

Nextway’s business involves a number of commercial and financial risk elements, but only those considered normal for a software vendor.

Research and development activities

Nextway is continuously investing in our primary intangible asset – Next. This development is done with own resources and with addition of external parties when required. We believe that developing new products, modules and features is the key to secure that we reach our strategic goals and stay relevant at our existing customers.

Events after the balance sheet date

In July 2024 the ownership in Nextway Software A/S changed. Main Foundation II Coöperatief U.A. entered as new majority owner.

Apart from what has been mentioned above, no events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Nextway Software closed the books for the fiscal year with a negative development in financial result from € 969.867 to € 324.800.

We will pursue our new 2027 strategy, with new ambitious goals for growth and markets shares in the selected industries and focus areas.

Furthermore, the efforts in changing the business model towards Software as a service and subscription-based license sales will continue.

An up-to-date product portfolio, a growing customer base, a solid backlog, and a strong sales pipe is our foundation.

We therefore expect to see positive financial results in the future. In 2024/2025 we expect the Group Gross profit to exceed € 10.000.000 and a EBT to exceed € 1.000.000 For the parent company we expect in 2024/25 that the Gross profit will exceed € 2.250.000 and a EBT to exceed € 1.000.000.

We do however still believe that there will be a short-term effect from the revised income recognition on “Software as a service” that will affect these goals.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Income statement

		Group		Parent company	
Note	EUR	2023/24	2022/23	2023/24	2022/23
	Gross profit	7,780,533	7,669,843	863,049	1,569,762
3	Staff costs	-6,565,787	-5,699,229	-518,690	-525,722
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-826,232	-765,392	-639,899	-576,896
	Profit/loss before net financials	388,514	1,205,222	-295,540	467,144
	Income from investments in group enterprises	0	0	608,975	620,767
4	Financial income	13,762	54,250	31,535	63,300
5	Financial expenses	-25,390	-67,455	-126,104	-80,147
	Profit before tax	376,886	1,192,017	218,866	1,071,064
6	Tax for the year	-52,086	-222,150	85,806	-81,048
	Profit for the year	324,800	969,867	304,672	990,016

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Balance sheet

		Group		Parent company	
Note	EUR	2023/24	2022/23	2023/24	2022/23
	ASSETS				
	Non-current assets				
8	**Intangible assets**				
	Completed development projects	1,372,864	1,292,736	1,372,864	1,292,109
	Acquired intangible assets	17,763	24,160	17,763	24,170
	Goodwill	773,623	895,306	0	0
	Development projects in progress and prepayments for intangible assets	510,389	390,296	510,389	390,296
		2,674,639	2,602,498	1,901,016	1,706,575
9	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	100,345	119,543	3,204	8,192
	Leasehold improvements	4,444	1,787	0	0
		104,789	121,330	3,204	8,192
10	**Financial assets**				
	Investments in group entities	0	0	4,138,550	3,519,507
		0	0	4,138,550	3,519,507
	Total non-current assets	2,779,428	2,723,828	6,042,770	5,234,274
	Current assets				
	Receivables				
	Trade receivables	1,207,060	871,757	0	0
11	Work in progress	2,695,518	2,309,104	0	0
	Receivables from group entities	0	0	1,314,297	1,219,413
	Corporation tax receivable	63,093	13,786	143,009	134,962
	Other receivables	497,652	408,718	415,125	306,197
12	Prepayments	406,939	393,669	138,226	120,981
		4,870,262	3,997,034	2,010,657	1,781,553
	Cash	750,836	235,873	266,424	28,762
	Total current assets	5,621,098	4,232,907	2,277,081	1,810,315
	TOTAL ASSETS	8,400,526	6,956,735	8,319,851	7,044,589

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Balance sheet

		Group		Parent company	
Note	EUR	2023/24	2022/23	2023/24	2022/23
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	148,829	149,043	148,829	149,043
	Reserve for development costs	0	0	1,468,941	1,240,207
	Retained earnings	2,761,874	2,712,622	1,292,933	1,492,564
	Dividend proposed	300,000	0	300,000	0
	Total equity	3,210,703	2,861,665	3,210,703	2,881,814
	Liabilities				
14	**Non-current liabilities**				
15	Deferred tax	332,176	329,612	337,861	344,245
	Subordinate loan capital	0	268,550	0	268,550
	Total non-current liabilities	332,176	598,162	337,861	612,795
	Current liabilities				
	Bank debt	13,536	17,118	8,097	5,724
	Trade payables	392,820	234,037	266,439	103,982
	Payables to group entities	0	0	4,409,389	3,259,181
	Corporation tax payable	63,131	1,292	0	0
	Other payables	1,655,633	1,662,442	87,362	181,093
16	Deferred income	2,732,527	1,582,019	0	0
	Total current liabilities	4,857,647	3,496,908	4,771,287	3,549,980
	Total liabilities	5,189,823	4,095,070	5,109,148	4,162,775
	TOTAL EQUITY AND LIABILITIES	8,400,526	6,956,735	8,319,851	7,044,589

1 Accounting policies
2 Events after the balance sheet date
7 Appropriation of profit
17 Contractual obligations and contingencies, etc.
18 Security and collateral
19 Related parties

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Statement of changes in equity

		Group			
Note	EUR	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 July 2022	149,209	1,838,569	0	1,987,778
	Transfer through appropriation of profit	0	969,868	0	969,868
	Adjustment of investments through foreign exchange adjustments	-166	-95,815	0	-95,981
	Equity at 1 July 2023	149,043	2,712,622	0	2,861,665
	Transfer through appropriation of profit	0	24,800	300,000	324,800
	Adjustment of investments through foreign exchange adjustments	-214	24,452	0	24,238
	Equity at 30 June 2024	148,829	2,761,874	300,000	3,210,703

		Parent company				
Note	EUR	Share capital	Reserve for development costs	Retained earnings	Dividend proposed	Total
	Equity at 1 July 2022	149,209	1,221,573	616,998	0	1,987,780
7	Transfer, see "Appropriation of profit"	0	18,634	971,381	0	990,015
	Adjustment of investments through foreign exchange adjustments	-166	0	-95,815	0	-95,981
	Equity at 1 July 2023	149,043	1,240,207	1,492,564	0	2,881,814
7	Transfer, see "Appropriation of profit"	0	0	-224,062	300,000	75,938
	Adjustment of investments through foreign exchange adjustments	-214	0	24,431	0	24,217
	Revaluations for the year	0	899,469	0	0	899,469
	Depreciation in the year	0	-626,047	0	0	-626,047
	Tax on items recognised directly in equity	0	-44,688	0	0	-44,688
	Equity at 30 June 2024	148,829	1,468,941	1,292,933	300,000	3,210,703

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Cash flow statement

		Group	
Note	EUR	2023/24	2022/23
	Profit for the year	324,800	969,867
20	Adjustments	889,946	957,181
	Cash generated from operations (operating activities)	1,214,746	1,927,048
21	Changes in working capital	480,340	-1,279,322
	Cash generated from operations (operating activities)	1,695,086	647,726
	Interest received, etc.	13,710	0
	Interest paid, etc.	-18,726	-67,364
	Income taxes paid	-29,149	-25,618
	Cash flows from operating activities	1,660,921	554,744
	Additions of intangible assets	-831,612	-695,547
	Additions of property, plant and equipment	-35,027	-107,305
	Disposals of property, plant and equipment	1,000	1,932
	Purchase of financial assets	-4,605	0
	Cash flows to investing activities	-870,244	-800,920
	Repayments, long-term liabilities	-272,132	-1,075,680
	Cash flows from financing activities	-272,132	-1,075,680
	Net cash flow	518,545	-1,321,856
	Cash and cash equivalents at 1 July	218,755	1,540,611
22	**Cash and cash equivalents at 30 June**	737,300	218,755

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies

The annual report of Nextway Software A/S for 2023/24 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Presentation of interest expenses on intercompany balances with affiliated companies will going forward be presented as financial expenses. In previous years, the presentation was made in gross profit as part of the TP adjustment. Comparative figures have been adjusted due to the changed presentation. The interest amounts to EUR 64,141 for 2023/24 (2022/23: EUR 22,323). The changes have no effect on profit of the year, equity, or balance sheet total for the financial years 2023/24 and 2022/23.

The presentation of group receivables in the parent company will going forward be presented as "Receivables from group enterprises" under current assets. In previous years, the presentation was made under "Receivables from group enterprises" under non-current assets. Comparative figures have been adjusted as a result of the changed presentation.

Receivables from affiliated companies amount to EUR 1,314,297 for 2023/24 (2022/23: EUR 1,219,413). The change has no effect on profit of the year, equity, or balance sheet for the financial years 2023/24 and 2022/23.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in EURO (EUR).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company’s power to direct a group entity’s financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity’s financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 **Accounting policies (continued)**

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

On recognition of foreign group entities which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably, and payment is expected to be received.

Income from the sale of goods and services, including Management fees and royalty, is recognised in the income statement when the goods or services in question have been delivered and the risk has been transferred to the buyer provided that the income can be measured reliably and is expected to be received.

Income from the provision of services as consultancy hours is recognised as revenue as the services are provided. Accordingly, revenue corresponds to the selling price of services performed during the year (percentage of completion method).

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.

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Acquired intangible assets	3-5 years
Goodwill	20 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries 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 20 years. Amortization assessment is based on the long time history of the group, the strategy for the future with an expected strong marked position founded form the originally platform which will last at least 20 years. The client life cycle is long and 20 years is considered appropriate.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years.

Acquired intangible assets include software and trademarks, which are measured at cost less accumulated amortisation and impairment losses. Software is amortised over 3-5 years, whereas trademarks are not amortised.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Work in progress includes license income which has been recognized as income but not yet invoiced.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax 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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

1 **Accounting policies (continued)**

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 comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

2 **Events after the balance sheet date**

In July 2024 the ownership in Nextway Software A/S changed. Main Foundation II Coöperatief U.A. entered as new majority owner.

Apart from what has been mentioned above, no events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

	EUR	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
3	**Staff costs**				
	Wages/salaries	5,866,617	5,065,427	437,094	448,140
	Pensions	455,141	436,102	79,679	75,193
	Other social security costs	244,029	197,700	1,917	2,389
		6,565,787	5,699,229	518,690	525,722
	Average number of full-time employees	62	53	2	2

Group

Total remuneration to group Management: EUR 466 thousand (2022/23: EUR 506 thousand).
Total remuneration to board of directors in parent company: EUR 53 thousand
(2022/23: EUR 40 thousand)

Parent company

Total remuneration to Management: EUR 466 thousand (2022/23: EUR 506 thousand).
Total remuneration to board of directors: EUR 53 thousand (2022/23: EUR 40 thousand)

	EUR	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
4	**Financial income**				
	Interest receivable, group entities	0	0	30,619	14,957
	Other financial income	13,762	54,250	916	48,343
		13,762	54,250	31,535	63,300
5	**Financial expenses**				
	Interest expenses, group entities	0	0	111,873	22,323
	Other financial expenses	25,390	67,455	14,231	57,824
		25,390	67,455	126,104	80,147
6	**Tax for the year**				
	Estimated tax charge for the year	49,538	62,678	-79,924	-63,219
	Deferred tax adjustments in the year	2,548	159,472	-5,882	144,267
		52,086	222,150	-85,806	81,048

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

EUR	Parent company 2023/24	Parent company 2022/23
7 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend for the financial year	300,000	0
Other statutory reserves	228,734	18,635
Retained earnings/accumulated loss	-224,062	971,381
	304,672	990,016

8 Intangible assets

EUR	Group: Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 July 2023	4,299,108	283,683	3,571,187	390,296	8,544,274
Forreign exchange adjustments	-1,393	-207	-5,020	-519	-7,139
Additions	543,581	2,438	0	285,593	831,612
Transferred	164,981	0	0	-164,981	0
Cost at 30 June 2024	5,006,277	285,914	3,566,167	510,389	9,368,747
Impairment losses and amortisation at 1 July 2023	3,006,372	259,523	2,675,881	0	5,941,776
Foreign exchange adjustments	356	-184	-3,851	0	-3,679
Amortisation for the year	626,685	8,812	120,514	0	756,011
Impairment losses and amortisation at 30 June 2024	3,633,413	268,151	2,792,544	0	6,694,108
Carrying amount at 30 June 2024	1,372,864	17,763	773,623	510,389	2,674,639
Amortised over	5 years	3-5 years	20 years		

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

8 Intangible assets (continued)

	Parent company			
EUR	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 July 2023	4,063,175	258,228	390,296	4,711,699
Forreign exchange adjustments	-5,458	-328	-519	-6,305
Additions	543,665	2,438	285,593	831,696
Transferred	164,981	0	-164,981	0
Cost at 30 June 2024	4,766,363	260,338	510,389	5,537,090
Impairment losses and amortisation at 1 July 2023	2,771,066	234,058	0	3,005,124
Foreign exchange adjustments	-3,677	-295	0	-3,972
Amortisation for the year	626,110	8,812	0	634,922
Impairment losses and amortisation at 30 June 2024	3,393,499	242,575	0	3,636,074
Carrying amount at 30 June 2024	1,372,864	17,763	510,389	1,901,016
Amortised over	5 years	3-5 years		

Completed development projects (Group and entity)

The company continuously recognizes development costs for a number of individual development projects. The development projects are initiated after an assessment phase and based on both the company's own and the customers' identified needs for new products and functionalities in the company's software, etc.

In connection with the initiation of a development project, a business plan is prepared and there is an ongoing assessment of whether this business plan is complied with and followed.

This assessment including impairment test has been performed for all completed development projects.

Our impairment tests shows no need for write-down according to book values.

The recognized costs consist partly of hours incurred within the Group and partly of external costs incurred.

All development projects are individually assessed to see whether they meet the criteria for recognition set out in the Danish Financial Statements Act Section 83 and IAS 38 as interpretation.

Customer characteristics and product evaluation are both part of each business plan/product in aim to cover the representative market needs for our products and to meet the criteria for recognition set out in the Danish Financial Statements Act Section 88 a

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

8 Intangible assets (continued)

Development projects in progress (Group and entity)

The company continuously recognizes development costs for a number of individual development projects. The development projects are initiated after an assessment phase and based on both the company's own and the customers' identified needs for new products and functionalities in the company's software, etc.

In connection with the initiation of a development project, a business plan is prepared and there is an ongoing assessment of whether this business plan is complied with and followed. This assessment including impairment test has been performed for all development projects in progress.

Our impairment tests shows no need for write-down according to book values.

Ongoing development projects are expected to be finalized within the normal period. We have 5 development projects in progress as pr. 30.06.24.

The usual development period typically extends over 1-3 years depending on the individual project. The recognised costs consist partly of hours incurred within the Group and partly of external costs incurred.

All development projects are individually assessed to see whether they meet the criteria for recognition set out in the Danish Financial Statements Act Section 83 and IAS 38 as interpretation.

Customer characteristics and product evaluation are both part of each business plan/project in aim to cover the representative market needs for our products and to meet the criteria for recognition set out in the Danish Financial Statements Act Section 88 a

9 Property, plant and equipment

	Group		
EUR	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 July 2023	894,314	224,562	1,118,876
Foreign exchange adjustments	1,735	-22	1,713
Additions	35,027	4,605	39,632
Disposals	-12,770	0	-12,770
Cost at 30 June 2024	918,306	229,145	1,147,451
Impairment losses and depreciation at 1 July 2023	774,771	222,775	997,546
Foreign exchange adjustments	1,406	-20	1,386
Depreciation	54,554	1,946	56,500
Reversal of accumulated depreciation and impairment of assets disposed	-12,770	0	-12,770
Impairment losses and depreciation at 30 June 2024	817,961	224,701	1,042,662
Carrying amount at 30 June 2024	100,345	4,444	104,789
Depreciated over	3-5 years	5 years	

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

9 Property, plant and equipment (continued)

EUR	Parent company Fixtures and fittings, other plant and equipment
Cost at 1 July 2023	17,243
Foreign exchange adjustments	-25
Disposals	-2,294
Cost at 30 June 2024	14,924
Impairment losses and depreciation at 1 July 2023	9,051
Foreign exchange adjustments	-13
Depreciation	4,976
Reversal of accumulated depreciation and impairment of assets disposed	-2,294
Impairment losses and depreciation at 30 June 2024	11,720
Carrying amount at 30 June 2024	3,204
Depreciated over	3-5 years

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

10 Financial assets

EUR	Parent company Investments in group entities
Cost at 1 July 2023	8,622,568
Foreign exchange adjustments	-12,372
Cost at 30 June 2024	8,610,196
Value adjustments at 1 July 2023	-5,103,061
Foreign exchange adjustments	35,694
Profit/loss for the year	739,549
Impairment losses for the year	-23,314
Reversal of prior year impairment losses	-120,514
Value adjustments at 30 June 2024	-4,471,646
Carrying amount at 30 June 2024	4,138,550

Investments in group enterprises consists in 2023/24 of net asset value of the group enterprises which amounts to EUR 3,364.927 and recognized goodwill of EUR 773,623. In 2022/23 net asset value of the group enterprises amounts to EUR 2,624,202 and recognized goodwill of EUR 895,305.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

10 Investments (continued)

Parent company

Name	Domicile	Interest	Equity EUR	Profit/loss EUR
Nextway Software Denmark A/S	Herning, DK	100.00%	1,443,546	329,259
Nextway Software Finland Oy	Helsinki, FI	100.00%	790,366	86,162
Nextway Software (UK) Ltd.	Cranfield, UK	100.00%	35,025	2,490
Nextway Software Norway AS	Oslo, NO	100.00%	734,336	85,506
Nextway Software Sweden AB	Malmø, SE	100.00%	168,027	21,060
Nextway Software Germany GmbH	Hamburg, DE	50.00%	99,749	119,894
Nextway Software Switzerland GmbH	Buchs, CH	100.00%	974,393	161,143
Nextway Software Austria GmbH	Rankweil, AT	0.00%	-181,893	-6,018

Nextway Software Denmark A/S and Nextway Software A/S each hold 50% of Nextway Software Germany GmbH.

Nextway Software Switzerland GmbH is the wholly owner of Nextway Software Austria GmbH.

All above listed entriprises are part of the Group financial statement.

		Group		Parent company	
	EUR	2023/24	2022/23	2023/24	2022/23
11	**Work in progress**				
	Selling price of work performed	2,695,518	2,309,104	0	0
		2,695,518	2,309,104	0	0

Group

Work in progress for third parites amouns to 2,695,518 DKK as of 30 June 2024 and of these 1,813,019 DKK are long term work in progress for third parties.

12 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years.

Parent company

Prepayments include accrual of expenses relating to subsequent financial years.

13 Share capital

1,110,000 shares of DKK 1 nominal value. At 30 June 2024 this correspond to EUR 148,829. All shares carry the same voting rights.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

14 Non-current liabilities

	Group			
EUR	Total debt at 30/6 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Deferred tax	332,176	0	332,176	0
	332,176	0	332,176	0

	Parent company			
EUR	Total debt at 30/6 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Deferred tax	337,861	0	337,861	0
	337,861	0	337,861	0

15 Deferred tax

Deferred tax at 1 July	329,612	169,873	344,245	200,260
Deffered tax for the year	2,548	159,472	-5,882	144,267
Exhange rate	16	267	-502	-282
Deferred tax at 30 June	332,176	329,612	337,861	344,245

Group

The tax liability is related to the difference between the accounting and tax values of intangible assets, items of property, plant and equipment and tax loss carryforwards.

Based on the budgets up until 2025/26, Management considers it likely that there will be future taxable income against which utilised tax losses and unutilised tax deductions can be offset.

Parent company

The tax asset is related to the difference between the accounting and tax values of intangible assets, items of property, plant and equipment and tax loss carryforwards.

Based on the budgets up until 2025/26, Management considers it likely that there will be future taxable income against which utilised tax losses and unutilised tax deductions can be offset.

16 Deferred income

Group

Deferred income consists of payments received from customers that may not be recognised until the subsequent financial year.

17 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
EUR	2023/24	2022/23	2023/24	2022/23
Rent and lease liabilities	687,641	725,622	215,955	219,000

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

Parent company

The Company is the administration company and has joint and several liability together with the other entities in the joint taxation arrangement for Danish corporate income taxes on dividends, interest and royalties. At 30 June 2024, payable corporate income tax amounted to EUR 0. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may entail that the Company's liability will increase.

18 Security and collateral

Group

The Group has provided operating equipment, unsecured claims and intellectual property rights with a carrying amount of EUR 2.319 thousand at 30 June 2024 as collateral for group entities' debt to credit institutions not exceeding EUR 536 thousand. The liability totalled EUR 8 thousand at 30 June 2024.

Parent company

The Company has provided operating equipment, unsecured claims and intellectual property rights with a carrying amount of EUR 2.319 thousand at 30 June 2024 as collateral for group entities' debt to credit institutions not exceeding EUR 536 thousand. The liability totalled EUR 8 thousand at 30 June 2024.

19 Related parties

Group

Related party transactions

EUR	2023/24	2022/23
Parent Company		
Income from Licens fee & TNMM to group enterprises	2,345,281	2,920,000
Income from Management fee to group enterprises	84,087	84,511
Interest income from group enterprises	30,619	14,957
Interest expenses to group enterprises	111,916	0
Purchase of development Hours from group enterprises	1,160,593	1,064,913
Receivables from group enterprises	1,314,297	1,219,431
Payables to group enterprises	4,409,389	3,259,181

The Parent company has carried out the above related party transactions in the financial year.

Consolidated financial statements and parent company financial statements 1 July 2023 - 30 June 2024

Notes to the financial statements

		Group	
	EUR	2023/24	2022/23
20	**Adjustments**		
	Amortisation/depreciation and impairment losses	826,232	765,392
	Gain/loss on the sale of non-current assets	0	-1,121
	Financial income	-13,710	-96,604
	Financial expenses	25,338	67,364
	Tax for the year	52,086	222,150
		889,946	957,181
21	**Changes in working capital**		
	Change in receivables	-815,684	-307,893
	Change in tradepayables and other payables	1,296,024	-842,567
	Other changes in working capital	0	-128,862
		480,340	-1,279,322
22	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	750,836	235,873
	Short-term debt to banks	-13,536	-17,118
		737,300	218,755

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WESSEL PLOEGMAKERS
Board member
Serienummer: a046eb53463ca8[...]6ca0266a69923
IP: 95.193.xxx.xxx
2025-01-13 17:21:52 UTC

BankID

Steffen Michael Bach
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: 4e53a5d1-fbcf-4e1e-9471-8d6c9aeb589b
IP: 147.161.xxx.xxx
2025-01-13 17:41:42 UTC

MitID

Thomas Hougaard-Enevoldsen
Director
Serienummer: af25a2ba-9dd5-471b-b4bc-0dc3ebf2bc1e
IP: 188.228.xxx.xxx
2025-01-13 18:03:45 UTC

MitID

JONAS GUNNAR EMANUEL BÄCKMAN
Chairman
Serienummer: a1a158253454d8[...]f4b818e0772f5
IP: 82.183.xxx.xxx
2025-01-13 19:36:46 UTC

BankID

Lars Erik Rüger Jepsen
Board member
Serienummer: 9ca6a763-9f92-402f-b545-fe7b0aba18fa
IP: 212.10.xxx.xxx
2025-01-13 21:11:01 UTC

MitID

Kim Hellum
Director
Serienummer: 1c78abe1-6190-407c-b1ad-44f16cd5855d
IP: 86.52.xxx.xxx
2025-01-13 23:07:10 UTC

MitID

Jesper Stier
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: 52a807ab-8019-49c3-b3d3-c5e699b0b245
IP: 165.225.xxx.xxx
2025-01-14 09:24:24 UTC