



datalab

2022 Annual Report

THE ANNUAL REPORT AND THE CONSOLIDATED ANNUAL REPORT OF DATALAB TEHNOLOGIJE, D.D. AND ITS SUBSIDIARIES

For the financial period from 1 July 2021 to 30 June 2022

Ljubljana, October 2022

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I. BUSINESS REPORT



1 Company Card

Holding company:	DATALAB Tehnologije d.d.
Short name:	DATALAB d.d.
Headquarters:	Ljubljana, Slovenia
Address:	Hajdrihova ulica 28C, 1000 Ljubljana
Country of incorporation:	Slovenia
Phone:	+386 1 252 89 00
Email:	info@datalab.si
Website:	http://www.datalab.si ; http://www.datalab.eu
Activity:	58.290 - Development and publishing of software
Principal place of business	Ljubljana
Legal form:	Public Limited Company (d.d.)
Size of the company:	Medium
Registration number:	1864629000
Tax number:	87965399
VAT ID number:	SI87965339
Registration:	Registered at the District Court in Ljubljana under number 061/13865100
Date of establishment:	21 November 2003
Basic capital:	4,379,768.00
Number of shares:	2,189,884
Share designation:	DATG
Parent company:	DATALAB Tehnologije d.d.

2 Key Financial Data and Indicators

Key consolidated financial data	FY'22	FY'21	Index
Sales revenue from contracts with customers	13.334.141	10.954.096	122
Other operating revenue	3.411.130	2.812.509	121
Operating revenue (Gross operating return)	16.745.272	13.766.605	122
Profit or loss before taxes	2.915.684	2.803.337	104
Net profit or loss for the financial year	2.607.550	2.512.235	104
Net cash flow (net profit or loss and depreciation)	5.525.313	5.089.695	109
Assets	20.371.043	18.683.113	109
Non-current assets	11.037.351	10.081.137	109
Short-term assets	9.333.693	8.601.976	109
Equity	9.643.335	7.974.782	121
Non-current liabilities	2.860.800	3.839.723	75
Short-term liabilities	7.866.907	6.868.608	115
INDICATORS			
Profit or loss before taxes/Gross return - %	17.41	20.36	86
Profit or loss before taxes/equity - %	30.24	35.15	86
Net profit or loss/equity - %	27.04	31.50	86
Net profit or loss/share - EUR	1,202	1,156	104
Independence ratio (capital/balance sheet total) - %	47.34	42.68	111
Liquidity (current assets/current liabilities) - %	118.65	125.24	95

*Profit or loss before taxes: net profit or loss for the period + income tax + deferred tax

*Net profit or loss/share: basic net earnings per share (MSR 33)

2.1 Share information

SHARE	30 June 2022	30 June 2021	Index
Number of issued ordinary shares	2,189,884	2,189,884	100
- of which number of treasury shares on 30 June	2.597	4.551	57
Book value per share at the last day of the financial year (EUR) (capital/number of issued ordinary shares)	4,41	3,65	121
Market prices on the Ljubljana Stock Exchange			
Highest rate in the year (EUR)	8,20	6,50	126
Lowest rate of the year (EUR)	5,40	3,80	142
Average single exchange rate during the year (EUR)	6,50	4,47	145
Exchange rate on the last trading day of the year (EUR)	8,10	4,60	176
Market value of capital (EUR) (number of issued ordinary shares* last trading day of the year)	17.738.060	10.073.466	176
Earnings per share in the current year (last market day of the current year/last market day of the previous year)	1,76	0,96	184
Earnings per share in the current year (last market day of the current year - last market day of the previous year) (EUR)	3,50	-0,20	-1750
P/BV (average market share price/book value per share)	1,47	1,22	120
P/E (average market share price/net profit or loss for the period per share)	5,40	3,87	140

* Book value of a share is calculated without taking into account shares repurchased

* Average unit rate = average official rate (not weighted by turnover)

* Average market share price = average unit price during the year

Movement of Datalab (DATG) over the last 3 years



Source: LjSE

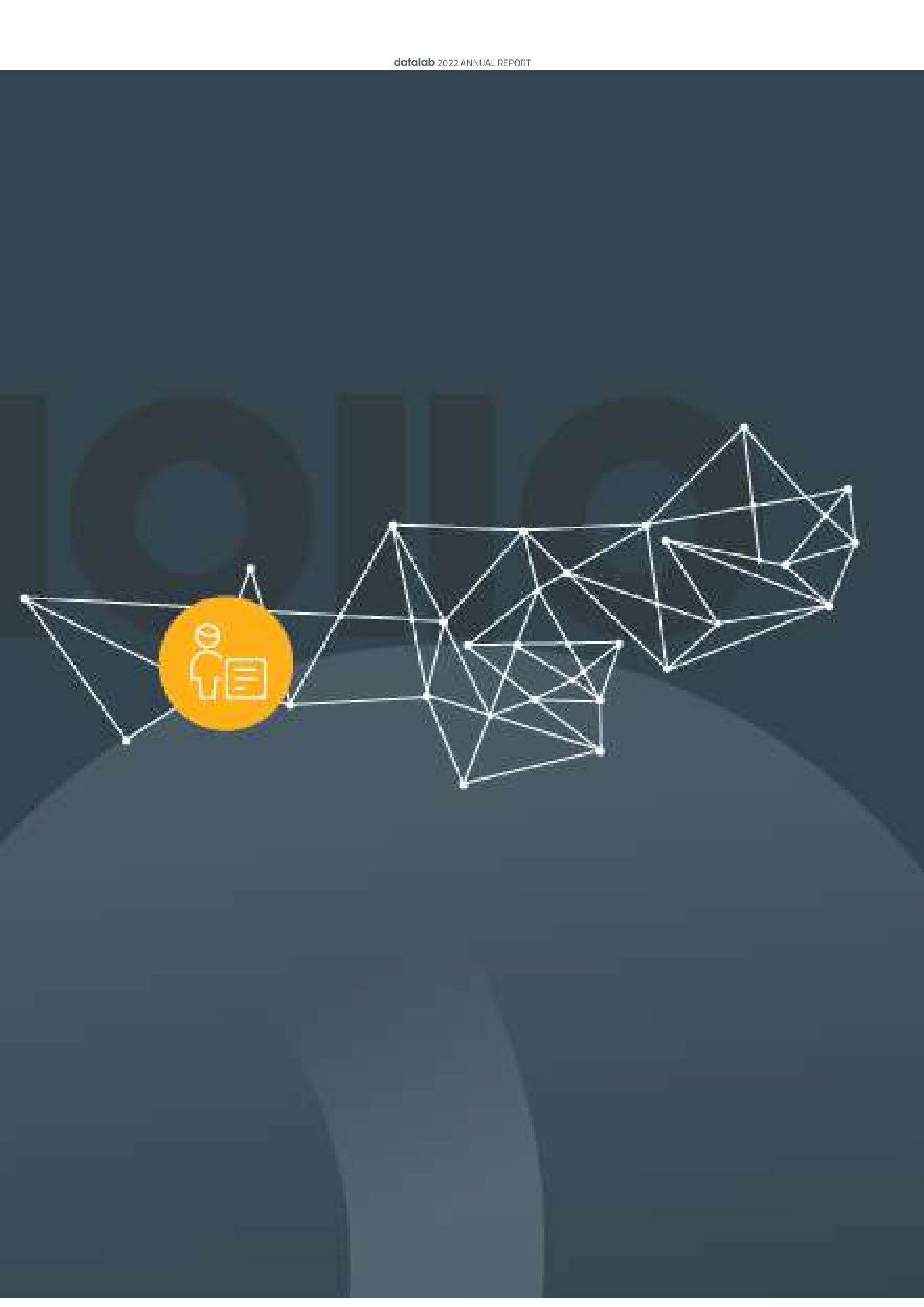
2.2 Condensed and adjusted financial report of companies by market

Table showing the breakdown of revenue and main costs by subsidiary for this year (1.7.2021-30.6.2022) and last year in EUR 1 000.

Countries that do not use the EUR as their primary currency have their results converted into EUR at the mid-day rate. Domestic and foreign market revenues are combined. Datalab MN is no longer owned by the DL Group and therefore only data affecting the Group's financial report is presented. The data in the table below are for analytical purposes only and may differ from the data used in the consolidation financial reports of the subsidiaries.

	SI			HR			BA			RS		
	'22	'21	22/'21	'22	'21	22/'21	'22	'21	22/'21	'22	'21	22/'21
A. Net revenue	4.828	4.275	113	3.400	2.928	116	1.581	1.307	121	3.012	2.247	134
I. Net sales of products and services	4.828	4.275	113	3.246	2.773	117	1.577	1.307	121	3.012	2.247	134
a. License fees	491	372	132	636	370	172	435	349	125	858	568	151
b. Upgrade contracts	1.801	1.775	101	1.127	1.044	108	547	511	107	1.057	903	117
c. Services	678	618	110	882	856	103	251	208	121	388	312	125
d. Marketing	40	0	0	24	15	158	19	1	2836	18	2	1046
e. Training and certification	33	21	155	26	30	88	5	11	47	1	23	5
f. Cloud services	1.307	1.126	116	89	68	132	96	44	219	340	253	134
g. Transaction services	285	238	120	180	155	116	11	3	335	54	24	227
h. Group work	86	66	130	277	234	118	211	179	118	278	159	175
i. Other	27	4	714	5	2	320	1	1	63	16	3	592
j. Net revenue from leases	78	54	145	0	0	0	0	0	0	0	0	0
II. Net sales of products and services	0	0	0	154	155	99	4	0	868	0	0	0
H. Costs	4.020	3.711	108	3.198	2.816	114	1.421	1.203	118	2.798	2.038	137
I. Cost of material and services	2.928	2.590	113	1.722	1.479	116	808	647	125	1.926	1.400	138
1. License fees	166	123	135	189	114	165	140	112	126	266	180	148
2. Leases	3	3	112	0	2	2	0	0	5	1	1	100
4. Cost of services	487	318	153	471	376	125	134	109	123	545	321	170
j. Of which cost of sales	139	78	177	185	99	187	59	35	171	344	215	160
II. Labor costs	1.024	1.072	96	1.262	1.126	112	598	538	111	818	572	143
J. Financial revenue	4	3	140	4	5	77	0	0	193	2	0	538
K. Financial expenses	110	4	3006	14	12	118	33	4	736	11	8	132
V. Net profit or loss for the period	530	460	115	187	90	208	20	87	23	154	178	86

	MN			MK			KO			Skupaj SUB-i		
	'22	'21	22/'21	'22	'21	22/'21	'22	'21	22/'21	'22	'21	22/'21
A. Net revenue	414	482	86	1.178	759	155	55	32	173	14.469	12.031	120
I. Net sales of products and services	414	482	86	1.135	756	150	55	32	173	14.268	11.873	120
a. License fees	142	153	93	233	214	109	16	8	190	2.812	2.034	138
b. Upgrade contracts	272	262	104	264	219	121	12	8	143	5.080	4.723	108
c. Services	0	0	0	450	175	257	21	14	153	2.671	2.182	122
d. Marketing	0	0	0	4	0	0	0	0	0	106	18	597
e. Training and certification	0	0	0	0	5	0	5	0	1029	71	90	78
f. Cloud services	0	0	0	111	79	141	2	1	140	1.945	1.571	124
g. Transaction services	0	0	0	7	3	201	0	0	1170	537	424	127
h. Group work	0	67	0	66	62	107	0	0	0	918	767	120
i. Other	0	0	0	0	0	62	0	0	0	50	10	501
j. Net revenue from leases	0	0	0	0	0	0	0	0	0	78	54	145
II. Net sales of products and services	0	0	0	43	2	1739	0	0	0	201	158	127
H. Costs	170	185	92	1.009	785	128	70	62	114	12.687	10.800	117
I. Cost of material and services	170	185	92	480	425	113	18	21	86	8.053	6.748	119
1. License fees	34	58	59	78	68	116	2	3	79	876	657	133
2. Leases	0	0	0	0	1	0	3	5	71	7	11	62
4. Cost of services	0	0	0	85	97	88	3	3	96	1.726	1.225	141
j. Of which cost of sales	0	0	0	5	47	10	0	0	0	732	475	154
II. Labor costs	0	0	0	419	319	132	52	41	127	4.173	3.667	114
J. Financial revenue	0	0	0	9	6	163	0	0	0	20	14	142
K. Financial expenses	0	0	0	5	5	96	0	1	0	173	34	508
V. Net profit or loss for the period	0	0	0	163	-23	-694	-15	-29	50	1.039	762	136



3 Report by the Executive Director



Our mission is to bring cost-effective enterprise IT to the world's smallest companies, making their work easier, helping them to be more competitive, more likely to survive and turn their data into profit.

On 12 August 2021, we sold the 70,000th PANTHEON license. We ended the financial year '22 with 78,205 activated licenses!

After a significant increase in the number of users in FY'21 due to on-line fiscalization in Montenegro, the growth in the number of activated licenses in FY'22 was significantly boosted for the same reason in Serbia. The user base in Serbia thus increased by 837 full PANTHEON (on-premise) users, by 2,412 PANTHEON Web users and 528 PANTHEON Retail users. In addition, we activated 1,050 new cloud users of Retail in Montenegro. License sales thus reached EUR 2.8 million and are 38% higher than last year. Sales of upgrade contracts amounted to EUR 5.08 million and are 8% higher than last year. Sales of services amounted to EUR 2.67 million, 22% higher than last year. Cloud services generated EUR 1.95 million, 24% higher than last year. Service transactions generated EUR 0.54 million and are 27% higher than last year. For a more detailed insight, please refer to section 2.2 Condensed and adjusted financial report of companies by market and 8.1 Sales.

In FY'22, we continued to build USD divisions, where we are recruiting additional staff and improving the quality of our services. Since FY'17, we have increased the number of employees for implementation and support staff from 37 to 84 people. The USD departments have become the center of the transition to digitalization for our users and a big focus in the last one has been on the initial roll-out of digital tools such as integrated DMS and the newly released PANTHEON Web family with granules.

Two months after the end of FY'22, the new generation PANTHEON 11 – safer and faster – was released as a result of considerable efforts and inputs during the year. While it does not yet support row-level security due to performance issues, we are on track to introduce it in the coming year.

We have launched the first products from the PANTHEON Web family, which will be the focus of development in the coming years. With the first member – PANTHEON Web Light, we have caught up and technologically outpaced the competition (especially MiniMax).

Based on PANTHEON Web, we have developed partial solutions for specific business needs: the so-called Granules. Granules are micro-programs that run on smartphones and tablets and allow certain functionalities (work records, HR management, document and task validation, business analytics) to be carried with us at all times. At the same time, their affordability (mostly EUR 2/User/Month) allows us to give virtually all employees in the company access to the company's central database. In this way, we are expanding our footprint in existing companies and, thanks to the complexity of Covid attendance monitoring, we are also opening up a sub-market of HR solutions in companies using other software (e.g. SAP).

We have published a library of web services, updated Workflow and connected the factory of the future to PANTHEON, where Industry 4.0 software controls robots and other smart machines.

Based on user experience, we have speeded up the built-in document system and significantly improved its ergonomics and ease of use.

For more information on Development, please see section 8.4 Development.

As predicted, FY'22 saw the first results of the DCD department, with the creation of a new database and the writing of a new user and technical manual based on it, which is much clearer for users and, among other things, allows for a much faster learning curve of the software and/or the solving of user problems. We have enhanced unified auto-testing of both traditional on-site and web products and automated recording of video instructions. We have also introduced the help of machine translation for translating instructions using artificial intelligence, which significantly increases productivity and speeds up the work of translators.

Revenue from the sale of contracts amounted to EUR 13,334,141 in FY'22, 22% higher than in the previous year. The Group's operating income (gross return) from continuing operations amounts to EUR 16,745,272, up 22% on last year.

Personnel costs are 12% higher at EUR 5,509,775 and represent 56% of the Group's total costs. Total operating costs (labor, materials, supplies and services) increased by 19% to EUR 9,756,659.

Consolidated profit before tax amounts to EUR 2,915,684 and is 4% higher than last year. Consolidated net profit for the year is EUR 2,607,550 or 4% more than last year.

Non-current assets increased by 9% to EUR 11,037,351 and current assets by 9% to EUR 9,333,693, while our liabilities remained practically at the same level as last year at EUR 10,727,708.

The fundamental problem of all IT companies today is definitely human resources. That is why we increased our headcount by 14% in '22 (from 195 to 223). More than 95% of the Group's employees have at least a level VI qualification, and we are investing more and more in internal and external training. As of 1 July 2022, we have increased the salaries of everyone in the Group by 7%, as inflationary pressures are significant. Due to our strong business performance, we pay the highest possible annual leave bonus to our employees.

We have started to implement the shareholder delisting plan adopted in 2019.

In FY'23, we expect further growth in users due to the successful adoption of the PANTHEON Web family, the extraordinary interest in Granules and the transition of Croatia to EUR. We are seeing increasing sales of both licenses and services in the segment of larger medium and large enterprises. We will continue to further develop the PANTHEON Web family and digital services (transactional revenues), which has remained the core focus of the company for several years.

We are confident that we will remain competitive, in a pleasant working environment, and meet the expectations of all our stakeholders.

Ljubljana, 7 October 2022

Andrej Mertelj, Executive Director



4 Report by the Chair of Board of Directors



For the period between 1 July 2021 to 30 June 2022

The Board of Directors of Datalab for the financial year 2022 consisted of Andrej Brlečić (Chairman), Andrej Mertelj, Lojze Zajc, Moreno Rodman, Ambrož Jarc and Mateja Cejan, and held several regular meetings. Due to epidemiological measures, which were less burdensome this year than in the previous year, most of the meetings were still held remotely using video conferencing tools. The Board considered the materials for the General Meeting and working papers related to the further development and expansion of the business.

In accordance with the provisions of the Rules of the Ljubljana Stock Exchange and the applicable legislation of Datalab Tehnologije d.d., important information was regularly published on the company's and the stock exchange's websites (SEONet).

As further motivation for the clear vision and decisive steps that the Group has taken to enter the new financial year, a new milestone was reached when the Group sold 70,000 licenses in August 2021. As it does every year at the start of the financial year, the Board of Directors approved the business plan for the 2022 financial year and continued its meetings to monitor the monthly and quarterly results of the current financial year.

In the previous year, the Board decided to reorganize and enlarge the Board to make it more efficient. To this end, the AGM elected two new members who, in addition to the Chief Executive Officer, were appointed as Executive Directors of each of the Datalab Group's key areas of activity: for software development and sales.

At its meeting on 25 October 2021, the Board of Directors reviewed and approved the publication of the Audited Annual Report for the financial year 2021, which was subsequently published on 29 October 2021.

In December 2021, the Board of Directors discussed the content of the regular General Meeting of Datalab Tehnologije d.d., which was subsequently convened for 28 February 2022. In addition to presenting the Annual Report for the financial year 2021 and deciding on the use of the balance-sheet profit and the remuneration of the members of the Board of Directors, the General Meeting appointed Ms Mateja Cejan as the new member of the Board of Directors; and approved UHY revizija in svetovanje, d.o.o., as the certified auditor for fiscal years 2022, 2023 and 2024. The new Board member was appointed as Executive Director for Development at the constitutive meeting of the Board held on the same day.

The change in the management of the subsidiary Datalab Croatia took place in February 2022, when the previous director of Datalab HR d.o.o., Goran Težak, took over the tasks of Key Account Manager of the Datalab Group. Danilo Tomšič, who until then held the position of Head of Telecom Operator Relationships in the Datalab Group, was appointed as the new Managing Director of Datalab HR d.o.o.

During the financial year, the Board of Directors monitored the results and found that the targets were met and, in some cases, exceeded. Datalab Group successfully adapted its business to the pandemic containment measures, met the extraordinary geopolitical challenges and confidently pursued its strategic and annual business objectives throughout the year. As one of the fundamental transformations into the digital era is taking place before our eyes, the Board of Directors will continue to provide strategic guidance to ensure progress, the sustainable development of all relevant stakeholders in the Group (employees, partners, users, etc.) and the maintenance of the growth trend in revenue and profitability.

We look forward to the financial year 2023 with cautious optimism, ambition and concrete goals.

Ljubljana, 4 October 2022

Andrej Brlečić, Chair of the Board of Directors of Datalab d.d.



5 Introduction to the Company

5.1 General information

Name

Short company name: Datalab, d. d.

Long company name: Datalab Tehnologije, družba za razvoj poslovno-informacijskih sistemov, d. d.

Registration

The is registered at the District Court in Ljubljana on 21 November 2003 under the number 13865100, application number SRG 200306489.

Form of organisation:

Public Limited Company

Share capital:

EUR 4,379,768

Registration number:

1864629

Tax number:

87965399

Industry SIC code:

58.290 – Other software publishing

Bank accounts

IBAN SI56 0400 1004 9303 925SI56 0400 1004 9303 925, NOVA KBM d.d.

IBAN SI56 0700 0000 3686 575SI56 0700 0000 3686 575, GB d.d., Kranj

IBAN SI56 1010 0005 9288 335SI56 1010 0005 9288 335, Banca Intesa Sanpaolo d.d.

IBAN SI56 2900 0005 3344 910SI56 2900 0005 3344 910, UNICREDIT BANKA SLOVENIJA d.d.

IBAN SI56 3000 0001 0992 755SI56 3000 0001 0992 755, N Banka d.d.

IBAN SI56 3400 0101 6715 370SI56 3400 0101 6715 370, Sparkasse d.d.

IBAN SI56 3500 1000 2178 726SI56 3500 1000 2178 726, BKS BANK AG

Address

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Phone: +386 (0)1 252 89 00

Email address: info@datalab.si

Website: www.datalab.si, www.datalab.eu

5.2 Subsidiary companies in the Datalab group

SLOVENIA

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 1000 Ljubljana, Slovenia
 Phone: +386 1 252 89 00
 Fax: +386 1 252 89 10
 Info@datalab.si BOSNIA AND HERZEGOVINA
 www.datalab.si
 Managing Director: Andrej Mertelj

CROATIA

DATALAB HR, d. o. o. (Sales)
 Avenija V. Holjevca 40
 10000 Zagreb
 Phone: +385 (0)1 35 35 595
 info@datalab.hr
 www.datalab.hr
 Managing Director: Danilo Tomšič

BOSNIA

Datalab BA, d. o. o.
 Vilsonovo šetalište 10
 71000 Sarajevo, BIH
 Phone: +387 33 652 101
 Fax: +387 33 711 656
 info@datalab.ba
 www.datalab.ba
 Managing Director: Nedim Pasić

MACEDONIA

Datalab MK, d. o. o.
 St. Luj Paster 5 / 4-5
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 Phone: +389 2 3079 231
 Fax: +389 2 3079 231
 info@datalab.com.mk
 www.datalab.com.mk
 Managing Director: Sasho Jovanovski

SERBIA

Datalab SR, d. o. o.
 Arsenija Čarnojević Boulevard 99V
 11000 Belgrade, Serbia
 Phone: +381 1 311 94 39
 Fax: +381 1 311 94 39
info@datalab.rs
 www.datalab.rs
 Managing Director: Miodrag Ranisavljević

5.2.1 Associated or Contractually Related Companies

MONTENEGRO*

Datalab MN, d.o.o.
 City kvart, Vojvode Maša Đurovića 2–6
 81000 Podgorica, Montenegro
 Phone: +382 20 223 131
 Fax: +382 20 248 902
 info@datalab.co.me
 www.datalab.me
 Director: Danko Obradović

KOSOVO**

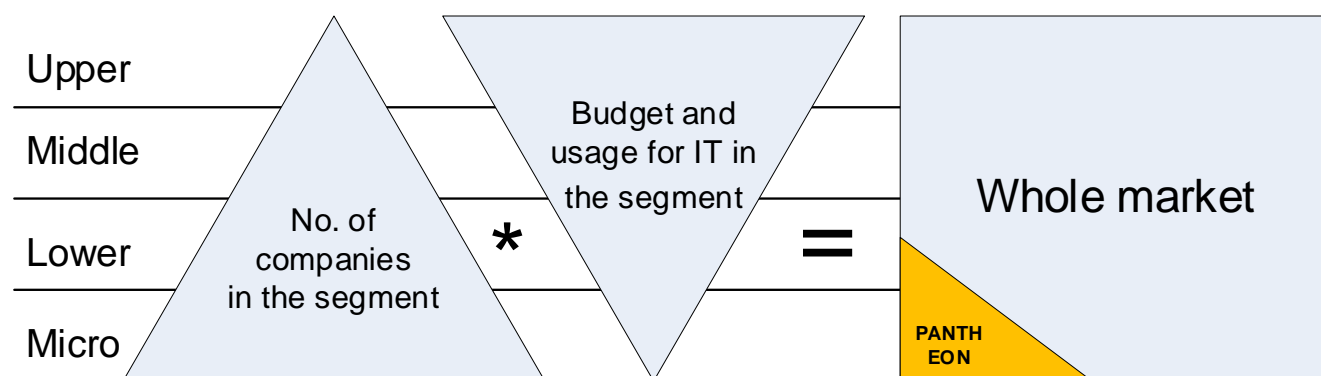
Datalab d.o.o.
 Rr. Vicianum Veranda C2.7 H.1 Nr.11
 Arbëria 3, 10000 Prishtina, Kosovo
 Phone: + 381 38 749 045
 Fax: +381 1 311 94 39
info@datalabks.com
 www.datalabks.com
 Director: Armend Zeqiraj

*contractually related company

**associated company

5.3 Brief introduction to the group

Datalab is a Slovenian software development company. It offers comprehensive business IT solutions to medium and small enterprises (SMEs) and farms under the simple but eloquent slogan 'Turning data into profit'. We develop and sell software ourselves and manage the implementation of modern business IT solutions and the dissemination of know-how through our own sales, support and partner channel. We see the future in providing software and related services and blurring the boundaries between companies and their working environments.



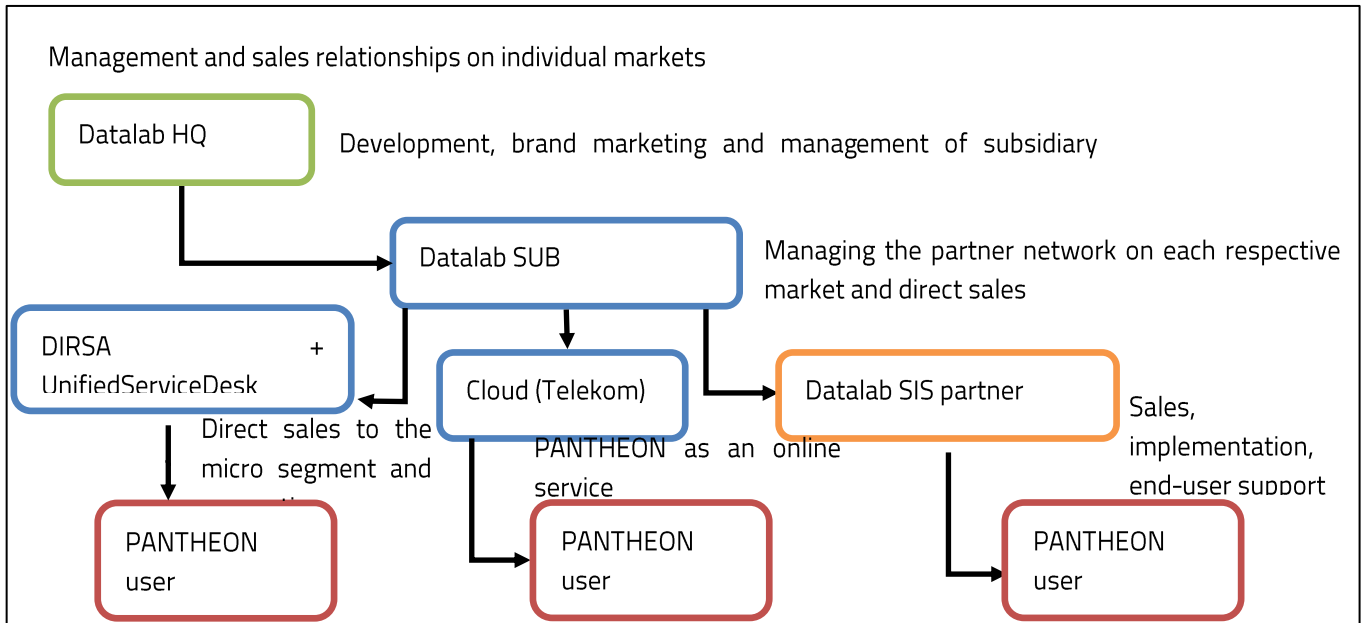
Datalab was founded in 1997, became a public limited company in 2003 and listed on the Ljubljana Stock Exchange in June 2008. Subsidiaries operate in Switzerland, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, Macedonia, Albania and Bulgaria. We are a partner of most of the national telecom operators in the region, where we work together with them to provide IT solutions for small and medium-sized enterprises.

5.4 Most important products and services

Our product – PANTHEON – includes a transaction system for processing orders, invoices, financial and HR data and for planning manufacturing. It is based on MS SQL Server and developed for Windows, Android and Web (HTML) environments. In cloud mode, it works either as a fat-client with a data server in a data center or as a web (HTML) solution. It strongly supports e-business and digital archives, and with its use on smart phones, it supports mobility and out-of-office working, all of which increases the competitiveness of companies using this modern IT system.

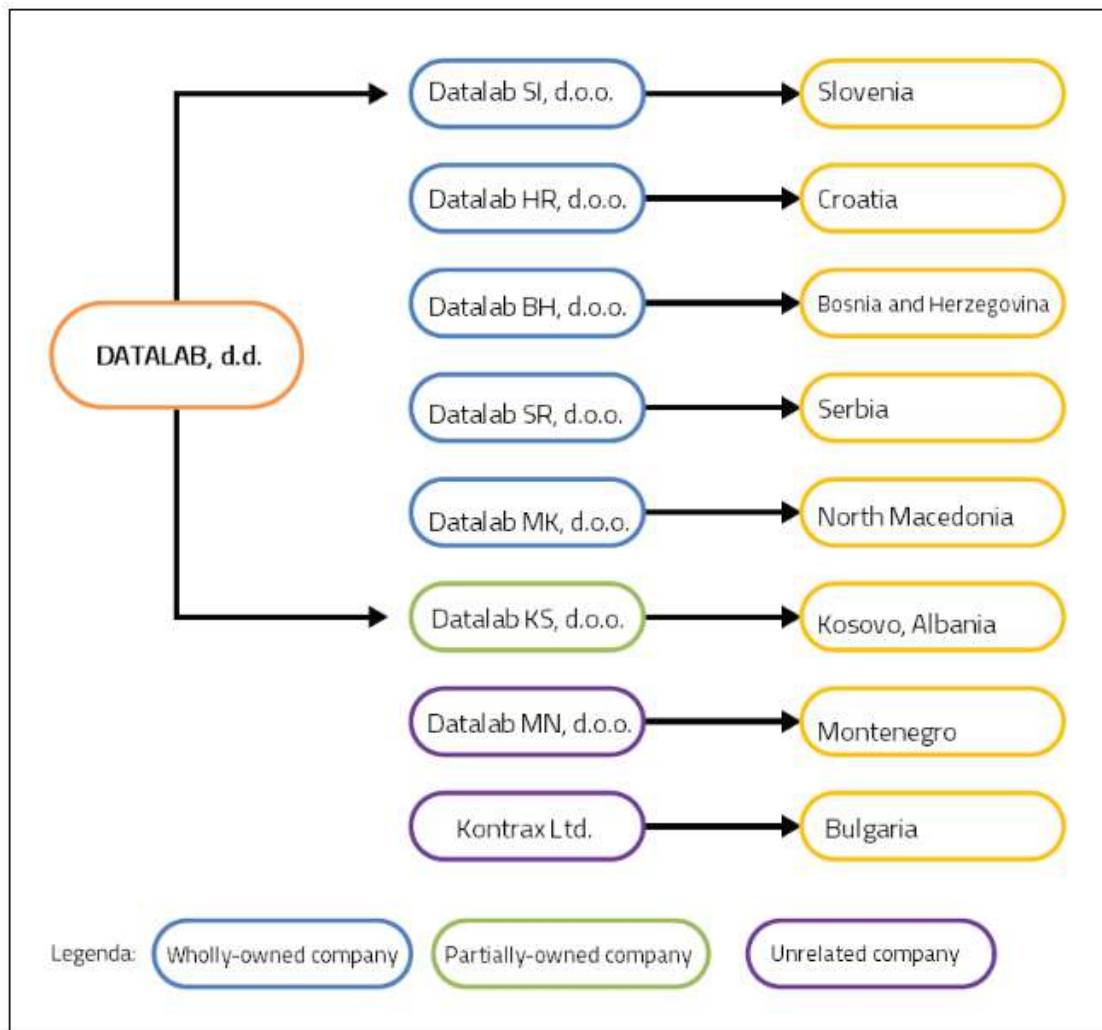
5.5 Marketing strategy

The Datalab Group consists of the parent company Datalab Tehnologije, d.d., and its subsidiaries in respective countries. In Slovenia, Datalab Tehnologije, d.d., as in other countries, transferred the channel partner management activities to a separate company, Datalab SI d.o.o., in August 2010. This is also the business plan for the next five years: the parent company Datalab Tehnologije, d.d., takes care of development, branding and group management, while the subsidiaries (so-called SUBs), take care of the part for sales and customer support and manage the partner network in individual countries. The Kosovo market was covered by the subsidiary in Macedonia until FY'15, but since March 2015 it exists as a separate company, which also partially covers operations in Albania. The company in Bulgaria has been frozen and operations transferred to our local partner Kontrax; however, it is preparing for unfreezing in cooperation with Datalab Macedonia. In Romania, operations are run through our partner company Mattig Management Partners Rumania.



1 Parent company or HQ

2 SUB – subsidiary company that manages the partner network. Partners take care of the Sales, Implementation and Support (SIS) system activities on the market.



Datalab has several sources of income:

- The primary source (together with license and subscription fees) are the **upgrade agreement fees** (contracts that allow end-users to upgrade PANTHEON to the latest version with the latest legislative changes and technological improvements).
- The secondary source of income are **license fees** from newly sold PANTHEON licenses. This source is in decline due to market pressures and consequent discounting of the sales price and last but not least due to the paradigm shift (to cloud) and this trend will continue in the coming years.
- The third source is **subscription fees** (Cloud), which include license fees, upgrades and server resources. These are paid by users to subsidiaries for the right to use PANTHEON and its upgrades.
- The fourth source is **transactional revenue**, which consists of the use of Cloud disk space for the SQL database, backups and DMS document archives, invoice conversion and recognition services and electronic document exchange.
- Consultants pay **membership fees** to Datalab for the use of the tools and support (secondary income).
- A significant number of Cloud users use **ServiceDesk** for quick help. Since FY'14, these revenues are also boosted by own implementations and maintenance contracts, which are growing nicely.
- Other revenue includes:
 - **Training** provided by **Datalab Academy** (established in June 2007) is charged directly to the participants (partners or end-users); this includes the course and certification fees;
 - **Advertising** on Datalab's websites (UserSite) and in PANTHEON News, where partners, users and others can advertise their products and services;
 - **PANTHEON Conference** (traditional event bringing together partners and end-users to exchange information and good practices); revenue from interest on loans to subsidiaries.

Although the partner organization operates as a franchise business, Datalab does not collect a share of the revenue that customers pay to Datalab's partners.

5.6 Division of Tasks

Datalab has divided its business into three levels, which also reflect cash flows.

Level 1: The parent company develops the software and related business practices and manages the entire network.

Level 2: Subsidiaries are responsible for localizing PANTHEON in their country. Localization includes translating the user interface and adapting the software to the local legislation and business environment. Subsidiaries provide support to Partners and act as a link between consultants at Partner companies and developers at the parent company. Each subsidiary is required to set up a local support center to provide support for sales, licensing and smaller technical problems via phone, online applications, and email.

Level 3: Datalab's Partners or Datalab's internal ServiceDesk (which supports direct sales and PANTHEON Cloud) implement PANTHEON, provide support and activate customer subscriptions. Due to the shortcomings of the partner channel, which was not ready/capable to support micro-businesses and lacked focus on accounting services, in 2010 we started to set up Datalab Direct sales and support via Datalab ServiceDesk. We complemented these services with direct sales of upgrade agreements in FY'11 and built it into a standalone department in FY'12 with the purpose of correcting developments on the market.

5.7 Sales organization

Datalab's sales are divided into departments, namely Direct Sales (DIRSA) and Partner Sales (Channel).

5.7.1 DIRSA – "Direct Sales"

DIRSA department performs the activities of direct sales in the SME segment. In order to improve the sales process, the sales consultants are specialized by software solutions. The consultants cover the areas of license sales (On-premise & Cloud), transactional services (eBusiness), and Web solutions. The DIRSA department strives for functional knowledge of Datalab's products; therefore, training is an important part of the work process.

New internal sales processes (pre-sales consulting, offer preparation, quality assurance of implementations, performance-based remuneration) and improved connections to other departments within the company have remained a focus for this financial year.

5.7.2 Partner Network

5.7.2.1 Sales and Implementation Partners

The partner network, consisting of sales consultants, support providers and implementers, remains stable with slight growth, mainly with new partners who, by obtaining the initial "Reseller" status, are mainly involved in the sale of our Web and Cloud solutions. With our larger partners, we have continued our good practice of collaborating on projects as subcontractors or implementers.

5.7.2.2 DEV Partnership Program

The PANTHEON Developer program promotes cooperation with companies developing their own software solutions and can complement the functionalities of the PANTHEON ERP system.

We support independent software producers from product conception to sales development through website information and regular training sessions.

Partner solutions cover specific and niche business processes in companies. Vertical applications span all areas of business operations. By combining PANTHEON and partner solutions, a company can effectively support all its business processes.

5.7.2.3 EDU Partnership Program

The PANTHEON EDU Partner Program is designed to work with educational institutions where PANTHEON is used in the learning process. The educational institution can be provided with licenses free of charge, as well as the right to use educational materials.



6 Governance Statement

6.1 Corporate governance holders

The management of the parent company Datalab d.d. is conducted in accordance with the Companies Act, the rules of the Ljubljana Stock Exchange, the company's Articles of association, internal acts and regulations. The Code of Corporate Governance for Publicly Listed Companies is also an important guideline for management. Its provisions are almost fully complied with, but deviations are indicated in the statement on compliance with the Code of Corporate Governance for Publicly Listed Companies, which is an integral part of the annual report.

The company is managed on a single-tier system: the company is run by a board of directors, of which the CEO is a member.

The governance bodies are the General Meeting of Shareholders and the Board of Directors.

6.2 Shareholders' General Meeting

The Shareholders' General Meeting is the body of the company in which shareholders exercise their rights in the company's affairs. It is convened by the company's board of directors, normally once a year. It may be convened on its own initiative, at the request of the Chief Executive Officer or at the request of shareholders representing at least twenty per cent of the share capital of the company. The person entitled to request the convocation of a general meeting shall, at the time of the request, also provide the board of directors with a reasoned and substantiated statement of the purpose and reason for the convocation.

The most important matters to be decided by shareholders at the regular Annual General Meeting are the distribution and use of the balance sheet profit, the discharge of the Board of Directors and the Chief Executive Officer and the appointment of the auditor for the current year. All shareholders, or their proxies, who notify the Company of their attendance not later than the end of the fourth day preceding the Annual General Meeting, may attend.

The convening of the General Meeting and other important matters necessary for its conduct are prescribed by the Company's Articles of Association, which are available on the AJPes website. The General Meeting is published in the electronic notification system of the Ljubljana Stock Exchange d.d. SEOnet, on the Company's website, on the AJPes website or in a daily newspaper published throughout Slovenia.

At the 22nd regular General Meeting held on 28 February 2022, the shareholders considered the presentation of the results and future plans, the Annual Report for the financial year 2021 and adopted decisions on the use of the balance sheet profit, on the discharge of the members of the Board of Directors and the CEO for the financial year 2021, on the appointment of the sixth member of the Board of Directors, and on the appointment of the certified auditor for the financial years 2022, 2023 and 2024. The adopted decisions are published on SEOnet and on the Datalab d.d. website.

6.2.1 Information on the functioning of the General Meeting

The data are set out in the report by the President of the Board of Directors.

6.3 The company's Board of Directors

The Board of Directors of Datalab Tehnologije d.d. was composed of five members for half of the financial year and six members for the other half of the fifth financial year. The members of the Board of Directors shall be appointed by the General Meeting for a maximum term of six years, subject to reappointment unless otherwise provided in the decision appointing them. The Chairperson of the Board of Directors shall prepare a report of the Board of Directors detailing the main activities and performance of the Board of Directors during the previous financial year.

The Board of Directors shall take its decisions at meetings and must be convened at least once a quarter. It shall be convened by the Chairperson on their own initiative or at the initiative of any member.

The Chair of the Board of Directors receives compensation for their service on the Board of Directors, and all members, including the Chair, are eligible for bonuses, the decision of which is taken by the General Meeting of Shareholders.

First and last name	Andrej Brlečič	Andrej Mertelj	Lojze Zajc	Moreno Rodman	Ambrož Jarc	Mateja Cejan
Function	Chairman of the Board of Directors and member of the Audit Committee	Member of the Board of Directors and Chief Executive Officer	Member of the Board of Directors and Chairman of the Audit Committee	Member of the Board of Directors	Member of the Board of Directors and Chief Sales Executive Officer	Member of the Board of Directors and Chief Executive Officer for Development
First appointment	10.12.2019	18.06.2020	18.06.2020	18.06.2020	29.06.2021	28.02.2022
Termination of office/mandate	18.06.2024	18.06.2024	18.06.2024	18.06.2024	18.06.2024	18.06.2024
Gender	Male	Male	Male	Male	Male	Female
Citizenship	Slovenian	Slovenian	Slovenian	Slovenian	Slovenian	Slovenian
Year of birth	1964	1970	1954	1964	1965	1975
Education	Electrical engineer	Mathematical technician	Specialist Economist	Economist	Electrical Engineer and MBA Economist	Economist
Membership in supervisory bodies of non-affiliated companies	Certain members of the Board of Directors also take on roles in the supervisory or management bodies of other companies, but not to the extent that their work on the Board of Datalab d.d. would be affected. In doing so, they shall comply with the provisions of the Companies Act.					

6.3.1 Andrej Brlečič – Chair of the Board of Directors



Andrej Brlečič graduated as an electrical engineer from the Faculty of Electrical Engineering at the University of Ljubljana in 1986. He also studied at the Faculty of Management Koper, University of Koper, where he graduated in Economics in 2012. His first job was at Iskra Elektrozeve, as a sales engineer for digital transmission systems. He continued his career at IMP Avtomatika, today's Dunfoss Trata d.o.o. Since 1990, when he joined SRC d.o.o., his career path has been related to sales and management in the field of application software. He has been working with Datalab since November 2013, initially as Sales Director and later as the Managing Director of Datalab SI d.o.o. He is currently employed as Sales Director at GENIS d.o.o. He joined Datalab's Board of Directors in December 2019.

6.3.2 Andrej Mertelj – Chief Executive Officer (CEO)



Andrej is best described as a serial entrepreneur with a passion for IT. After graduating from mathematical high school, he enrolled in the Faculty of Computer Science, but left shortly before graduation to pursue entrepreneurship. At the age of 16, he published his first technical paper, which was followed by several others in the following years. Almost thirty years of experience in IT and twenty-five in entrepreneurship make up the unique blend of IT and business skills that he brings as CEO of Datalab to PANTHEON, the leading business software in South East Europe. He is currently passionate about building cloud services for SMEs together with telcos and bringing the benefits of modern IT tools to entrepreneurs.

Andrej was the President of the Slovenian Software Producers Association KODA.SI, President of the Association for Informatics and Telecommunications at the Chamber of Commerce and Industry of Slovenia for almost ten years and a member of several standardization bodies. He has advised several governments on the introduction of the euro, value added tax and cash registers. At the moment, he is participating as a member of the Strategic Council of the Government of the Republic of Slovenia in the Working Group on De-Bureaucratisation. He has been one of the most vocal opponents of the European Software Patenting Directive and ACTA. He is a frequent mentor at start-up events, CEED and entrepreneurship workshops. He has been the President of the Slovenian Fathers' Association since December 2020 and a member of the Slovenian Government's Strategic Council for Digitalisation since April 2021.

6.3.3 Lojze Zajc – Chairman of the Audit Committee and Member of the Board of Directors



Lojze Zajc graduated from the Faculty of Economics, Foreign Trade, in 1978. He completed a postgraduate specialization in management. In addition to active English, he speaks conversational German and Italian. He has also studied at the London Business School of Economics, completed a seminar for business valuers, and has taken part at numerous training courses in banks in Italy and Germany.

His first job was at Yugotekstil-Impex, where in 1985 he took over the management and supervision of the financial operations of companies abroad and carried out internal audits of companies owned by Yugotekstil-Impex. He was appointed Acting Managing Director in 1995 and Chairman of the management board of IBN-JT, d.d. in 1996.

In 2001, he joined a construction company as an internal auditor and later as Chief Economic Officer. In his last year with the company, he successfully led the implementation of PANTHEON.

He has been working with Datalab since March 2009.

6.3.4 Moreno Rodman – Member of the Board of Directors



Moreno Rodman attended the Secondary School of Economics in Koper and continued his studies in Ljubljana. Immediately after his studies, he got a job and started to work actively in various fields, but he is most interested in intensive entrepreneurial challenges, which is why he has been an entrepreneur himself since 1991. He has founded and managed a number of successful companies that are still active and successful on the entrepreneurial market today (e.g. Actual I.T. d.d. and SPORT TECHNOLOGY d.o.o.).

He previously headed Datalab between 2002 and 2008 and knows it very well, despite an absence of several years. During this period, he led the expansion into foreign markets and the building of a partner channel, increasing productivity and profitability. Moreno took over as CEO of Datalab Technologies d.d. from December 2016 to January 2020 and leads a team with new ideas, a clear vision and a focus on intensive teamwork. Due to back problems and the daily commute between Koper and Ljubljana, he unfortunately had to leave this workload behind and instead took up a position on the Board of Directors.

6.3.5 Ambrož Jarc – Member of the Board of Directors and Executive Sales Director



Ambrož Jarc graduated from the Faculty of Electrical Engineering, continued his studies in economics and completed his MBA in Austria. He gained his first experience at the Institute of Electronics and Vacuum Engineering as a young researcher, from where he continued his path into entrepreneurship. In 13 years, he built one of the largest IT companies, which he successfully exited in 2007. He then worked as a "business developer" for various companies, specializing in web-based systems for B2B and B2C business. He joined the Datalab team in 2015 for the implementation of tax cash registers and is now a member of the Board of Directors and the Executive Director of Sales.

6.3.6 Mateja Cejan – Member of the Board of Directors and Executive Director for Development



Mateja Cejan gained her first work experience at the Slovenian Eco Fund while studying economics. From there, her career path led her to the trading company Papillon d.o.o., where she first met the then Hermes, later PANTHEON, as Head of Human Resources and Marketing. With a desire to transfer user experience and improve the product, she joined Datalab d.d. in 2007 to work on the HR, payroll and travel management module for 7 different localizations. In 2010, she collaborated with the Ministry of Public Administration and the National Health Insurance Fund (ZZZS) on the implementation of the eVEM portal. PANTHEON was the first software in

Slovenia to include a solution for the electronic submission of the Application for Compulsory Health Insurance (M1/M2). In 2019, she took over the development of PANTHEON Web Light. In 2021, she became the Executive Director of Development and a member of the Board of Directors.

6.4 Corporate governance

Datalab d.d. is managed by a Board of Directors, which appoints one or more executive directors of the company for a term of six years, normally at least one of whom is a member of the Board of Directors. The Chief Executive Officer represents the company alone, while the Executive Directors represent the company jointly with the Chief Executive Officer. The Board of Directors may delegate to the Chief Executive Officer the tasks of managing the day-to-day business, registering entries and submitting documents to the register, keeping the books of account and drawing up the annual report, to which he or she shall attach the auditor's report. In the performance of their duties, the Chief Executive Officer shall comply with the instructions and limits imposed on them by the general meeting of the Company, the Board of Directors and the Articles of Association.

6.4.1 Directors of the Company

6.4.1.1 Anka Leben, Head of Finance and Accounting



Anka Leben graduated in agricultural economics from the Faculty of Biotechnology in Ljubljana. From her first job onwards, she has been working with numbers, first in planning, analysis and controlling, then increasingly in accounting and finance. She worked in Agroemona Domžale, Jata Ljubljana, Liko Vrhnika, Energoplan. She was among the first generation of students to obtain the title of "certified accountant", awarded by the Slovenian Institute of Auditors.

She joined Datalab in September 2016 and is now Head of Finance and Accounting.

6.4.1.2 Kristijan Bratuša, Chief Operating Officer (CIO/COO)



Kristijan Bratuša graduated from the Faculty of Computer Science and Informatics in Maribor. He met PANTHEON in 2008 as a support provider for the Ares module and started to build a parallel self-testing environment. In 2012, he took on the role of Quality Assurance Operations Manager for the PANTHEON product, where he was responsible for the successful execution of test scenarios, support for testers, and at the same time optimizing the self-testing system at all times. After four years he became Product Operations Manager for Development and successfully led the improvement of the build process and the introduction of a new translation tool. In 2019, he took up a new position as Director of Operations. One of his goals is to bring PANTHEON closer to its customers by introducing new e-services.

6.4.1.3 Vladimir Paunović, Head of Services



He joined Datalab SR in 2007, prior to which he was a consultant for PANTHEON at a partner company in Serbia. He has been working in Datalab SR Service Department since the very beginning, first as a consultant and then as Head of Service Department. In January 2021, based on his extensive experience, he took over the management of all service departments at the corporate level.

6.4.1.4 Maja Fujan, Marketing Director



Maja joined Datalab in 2008 as a Marketing Manager. She manages the day-to-day activities with her regional marketing team and believes that marketing has the power to bring about positive change in today's business. Her main focus is on digital and inbound marketing activities, events for companies in key industries and partner collaborations, with concrete sales results as her goals.

She graduated from the Faculty of Economics, University of Ljubljana, majoring in Marketing. She started her career in advertising agencies, where she gained invaluable experience working with different customers, in different industries, and with different marketing approaches.

In her view, two things are crucial for success: 1. Business focus, and 2. Understanding the needs of the target audience.

6.4.2 Assistant Directors

6.4.2.1 Nina Smrkolj, Head of Legal and Human Resources



Nina joined Datalab in 2017 as a legal advisor. She graduated from the Faculty of Law in Ljubljana with a degree in Economic Analysis and International Law. She started her career in a law and notary office, applying the theoretical knowledge she gained in practice and gaining experience that helped her to establish the general sector at Datalab Group. Today, she is in charge of legal and human resources areas at corporate level and, since December 2019, she has also been the Secretary of the Board of Directors of the Company, ensuring the proper and efficient functioning of the Board of Directors.

6.4.2.2 Vanja Cigoj, Corporate Manager of Datalab Community Development (DCD)



Vanja Cigoj has 20 years of experience in adult education. She graduated in Labor Organization. Organizing events and other activities is her life's mission.

She joined Datalab in 2007, taking over the management of the Datalab Academy and defining its content and organizational structure. Since 2016, she has been acting as the Corporate Manager of Datalab Academy, responsible for coordinating and overseeing the delivery of training and events for PANTHEON users and partners in 6 countries. From 1 July 2021, when Datalab Academy restructured and upgraded from a classic sales call center to an integrated educational model – Datalab Community Development (hereafter DCD), she assumed the role of Corporate Manager of Datalab Community Development.

6.4.2.3 Elmir Sikira, Controlling and Internal Audit



Elmir Sikira graduated from the Faculty of Economics, University of Sarajevo, where he obtained a Level VI Diploma in Management Information Systems and a Level VII Diploma in Accounting and Auditing. He joined Datalab in 2007, starting as an Accountant at Datalab Bosnia, and then in 2011 he started working in the Operational Profit Centers in Datalab Groups. Since 2014 he has been working at operational control level.

6.4.2.4 Barbara Benedik, Controlling and Internal Audit



Barbara Benedik obtained her Master's degree at the Faculty of Economics in Ljubljana in 2003, where she obtained her VIII level degree. In 2017, she obtained a license as a certified auditor and in 2019 a license to perform the duties of a certified auditor. She joined Datalab Technologies on 1 February 2020, where she serves as an internal auditor.

6.4.3 Directors of subsidiaries

The directors of subsidiaries are presented in the company-specific chapters.

6.5 Governance in the Group

The Datalab Group consists of the parent company Datalab d.d. and its subsidiaries in each country. In Slovenia, as in other countries, Datalab Tehnologije d.d. transferred its channel partner management activities to a separate company, Datalab SI d.o.o. in August 2010. This is also the business plan for the next five years: the parent company Datalab d. d., Datalab SI d. o. d. takes care of the development, branding and management of the group, while the subsidiaries (the SUBs) manage the partner network in their respective countries: Croatia, Bosnia, Serbia, Macedonia, Kosovo, Ukraine and Albania. The parent company holds more than 90% of the shares in the subsidiaries.

All companies are subject to uniform rules on governance, organization and operation. Datalab d.d., as the parent company, sets the strategic orientations and operational objectives for all the companies in the Group and monitors the implementation of the plans.

6.6 Internal control system

Good quality accounting information is one of the foundations for responsible business decision-making. The provision of accounting information is the responsibility of the Board of Directors and is ensured through compliance

with accounting standards, appropriate accounting policies, a unified accounting policy at Datalab Group level, the timely and appropriate preparation of data, reports and analyses, and regular annual monitoring of the accounting process through audit procedures.

Risks are managed through internal controls, i.e. policies and procedures implemented at different levels to ensure the efficiency and effectiveness of operations, the reliability of financial reporting and compliance with applicable laws and regulations. Accounting controls are closely linked to IT controls, which among others also ensure the restriction and control of access to the network, data and applications, and the completeness and accuracy of data capture and processing.

In addition to the automated reports from PANTHEON (at group level) on the financial situation, plan achievement and other key corporate information (e.g. error status, development performance, etc.), the Accounting Department prepares regular periodic reports for each business function, which provide users with useful information for business decisions. Particular attention is paid to sales data, added value, profit centre productivity and financial statements. The financial statements are monitored on a profit centre-by-profit centre basis, which is uniformly formatted for the Group as a whole.

6.7 Audit Committee

The Audit Committee discussed respective business reports at its meetings prior to the meetings of Board of Directors and reported its findings for the financial part, thus also forming the basis for the discussion at the Board meetings in this part.

Composition of the Audit Committee in the 2022 financial year:

- Lojze Zajc, Chairman of the Audit Committee
- Andrej Brlečič, Member of the Audit Committee
- Izidor Jerman, external member

6.8 External audit

The external audit is carried out by a certified public accounting practice, which, in addition to the regular annual audit, also provides expert warnings and guidance to improve the system of internal controls and to manage all types of risks.

For the financial year 2022, Datalab d.d. was externally audited by UHY revizija in svetovanje d.o.o., Vurnikova ulica 2, 1000 Ljubljana. The audit firm is involved in the audit of the financial statements and annual reports. The cost of auditing the financial statements for the financial year 2022 amounted to EUR 18,875.00. The audit firm UHY Revizija in svetovanje d.o.o. cooperates with audit firms that audit the financial statements of subsidiaries outside Slovenia. The total cost of the audit of the consolidated report is EUR 28,443.

6.9 Declaration of compliance with the Code of Corporate Governance for Publicly Listed Companies

The Board of Directors and the Chief Executive Officer of Datalab d.d. declare that for the financial year 2022, which started on 1 July 2021 and ended on 30 June 2022, they have complied with the provisions of the Code of Corporate Governance for Public Limited Companies, the amendments to which were adopted in October 2016 and entered into force on 1 January 2017, and besides the adoption of the amendments, the new Code of Corporate Governance for Public Limited Companies has also been in force since 1 January 2022 and the Company will continue to comply with it, except for the provisions set out below.

The text of both Codes is publicly available on the website of the Ljubljana Stock Exchange, <http://www.ljse.si>.

6.9.1 Chapter: Corporate governance framework

1 The primary objective of a public limited company engaged in a profit-making activity is to maximize the value of the company. This and other objectives pursued by the company in the conduct of its business, such as the creation of long-term shareholder value and the consideration of social and environmental aspects of the business to ensure the sustainable development of the company, shall be set out in the company's articles of association.

The company's governing bodies act at all times in line with the core objective of maximizing value for customers, employees and owners. The company's general objectives are set out in the medium-term and annual plans, while the strategic objectives are set out on the company's official website and in the annual reports.

2 The management board, together with the Supervisory Board, formulates and adopts a Corporate Governance Policy, which sets out the main guidelines for the management of the Company, taking into account the long-term objectives of the Company, and communicates it to all stakeholders by disclosing it on the Company's website.

2.1 The management board shall cooperate with the Supervisory Board in the formulation of the Corporate Governance Policy. In doing so, account shall be taken of the development needs of the Company and the specific characteristics of the Company, such as its size and activity. In doing so, the Supervisory Board shall draw up a plan of its own activities for each financial year and shall define topics such as, for example, the adoption of the calendar of meetings, the key control topics, the forms of communication with the management board, the role of the Supervisory Board in the adoption of the Corporate Governance Policy and the Diversity Policy to be implemented in relation to representation on the Company's management or supervisory bodies, the evaluation of the Supervisory Board's performance, the role of the Supervisory Board in assessing the internal control systems (in particular the risk management system, the internal audit system, the financial and operational control system and the system of compliance with the law and relevant standards) and the process for drafting the decisions to be adopted by the General Meeting, in particular the proposals for the appointment of members of the Supervisory Boards. In drawing up the Corporate Governance Policy, the Company may refer to other publicly available documents.

2.2 The Corporate Governance Policy is regularly updated and is always in line with the current corporate governance policies of the Company. It contains the date of the last update and is available on the Company's website.

Note: Datalab d.d. has a single-tier corporate governance system. So, this provision and others under this Code instead take into account the role of the Board of Directors and the Executive Directors instead of the Supervisory Board and the Management Board.

2.2 The Corporate Governance Policy is adopted with effect for a specified future period and updated frequently to ensure that it is always in line with current corporate governance guidelines. It shall include the date of the last update and shall be available on the Company's website.

Note: Datalab d.d. does not have a Corporate Governance Policy. The Board of Directors manages the Company in accordance with the applicable legislation, the Corporate Governance Code for listed companies and the values adopted at Group level.

6.9.1.1 Diversity policy

4 The Supervisory Board shall determine the diversity aspects appropriate for the management and supervisory bodies of the Company and, in accordance with the following in accordance with legislation and best practice recommendations in this area. The Supervisory Board shall formulate and adopt a Policy Diversity Policy to be implemented in relation to representation on the Company's management and supervisory bodies.

Note: There is no policy on diversity in the company, because meritocracy is the basic and only guiding principle in the company. Therefore, both genders are well represented in the company's management, as well as foreigners. Employment and promotion opportunities are neutral, which is why the company has an above-average representation of women for the industry.

6.9.1.2 Statement on Management

5.6 The Company shall ensure that the adequacy of the Governance Statement is externally audited at least once every three years. External audit shall be carried out by an independent institution with appropriate professional credentials. The external audit shall not be considered assurance engagements carried out by accounting professionals with public authority (auditors) or accounting professionals who do not have a public mandate (e.g. internal auditors). It shall be carried out separately from the audit of the annual report and is not carried out by an institution that provides audit services to the company or is related to them.

Note: Datalab d.d. has not yet carried out an external audit of the adequacy of the management declaration. It is expected to do so by the time of the next annual report.

6.9.1.3 Income policy

6. The Supervisory Board, in cooperation with the Company's Management Board, shall formulate the Remuneration Policy for Management and Supervisory Bodies in accordance with the relevant legislation and best practice recommendations in this area and submit it to the General Meeting for approval, whereby the General Meeting's decision shall be advisory only.

Note: Datalab d.d. has a remuneration policy in place and a remuneration report will be submitted at the next Annual General Meeting and made publicly available on the website.

6.9.1.4 Sustainable business

7. The long-term viability of the Company must be achieved in a sustainable way, not only by taking into account economic, but also environmental, social and governance aspects. The Company should develop a Policy a Sustainable Business Policy that addresses these aspects of the Company's business.

Note: The company has not yet developed a Sustainable Business Policy, but recognizes that a sustainable business strategy leads to benefits for society, the environment and the economy in the long term, while at the same time increasing the company's business performance. In technical terms, it is therefore no different from a conventional business strategy, which is a set of hypotheses or cause and effect relationships between strategic activities and strategic outcomes. In substance, it is based on greater social, environmental and economic acceptability. The strategy must be well thought out because only if it is based on properly identified core competences of the company and is properly embedded in the company's environment will it lead to the desired objective.

6.9.2 Chapter: Supervisory Board

11. The Supervisory Board is composed in such a way as to ensure responsible supervision and decision-making in the best interests of the company. The composition of the Supervisory Board takes into account the expertise, experience and skills that are complementary among the individual members of the Supervisory Board.

Note: Datalab d.d. has a single-tier corporate governance system. Accordingly, this provision and the other subordinate provisions in the section "Supervisory Board" shall, in accordance with this Code, be taken into account, mutatis mutandis, by the Board of Directors instead of the Supervisory Board.

6.9.3 Chapter: Management Board

21. The company is managed by a management board whose work, knowledge and experience are dedicated to the long-term success of the company through optimal governance and the assessment and management of risks. The management board defines and sets the company's values, business strategy and is organised in such a way as to enable it to carry out its duties efficiently. The optimum performance of the business is achieved by the management through the provision of adequate management, and human and financial resources.

Note: Datalab d.d. has a single-tier corporate governance system. The company is managed by the Board of Directors, which appoints the Chief Executive Officer. The Chief Executive Officer independently represents the company. The Board of Directors may delegate to the Executive Director the tasks of managing the day-to-day affairs, registering

entries and submitting documents to the Registry, keeping the books of account and drawing up the annual report, to which the auditor's report shall be annexed. In the performance of his duties, the Chief Executive Officer shall comply with the instructions and limits imposed on him by the general meeting of the Company, the Board of Directors and the Articles of Association.

6.9.4 Chapter: Internal audit

29.5 Internal audit activity shall be established in accordance with the internal audit rules at the law governing auditing or applicable international internal auditing rules, the Code Code of Principles for Internal Auditing and the Code of Ethics for Internal Auditors. The purpose of internal audit shall be to enhance and protect the value of the company by providing objective assurance based on risk assessment, by providing advice and an in-depth understanding of the Company's operations.

Note: The Company does not currently have an internal audit function in place, but will in the future endeavor to establish an internal audit function in accordance with legislation, international rules and codes.

6.9.5 Chapter: Transparency in business

30.2 Management is responsible for developing and implementing a communication strategy for the company that prevents the creation of a situation that would allow insider trading (abuse of inside information). Management shall adopt a policy – the Company's communication strategy.

Note: The Company does not have an adopted document governing the Company's communication rules with investors or the public. The basic requirements for communication with the public are laid down by law and stock exchange rules.

30.3 The Company shall prescribe rules on trading restrictions in the Company's shares, which shall regulate the rules on trading restrictions, the time period of trading restrictions (closed trading windows) and the disclosure of trading in the Company's shares and shares of affiliated companies to members of the Company's bodies, natural and legal persons related to them and to other persons to whom inside information is made available.

Note: The scope of restrictions and reporting of trading in the Company's shares to insiders is governed by the ATVP Decision on specific rules for the communication of inside information and investment recommendations. The decision and the reporting obligations have been notified by the Company to all persons who have access to inside information and are also registered on a special list, and the management of inside information is also partly defined in employment contracts and other legal and internal regulations.

31.3 The Company shall also ensure that public announcements are made in the language commonly used in international financial circles and shall produce the Annual Report in that language.

Note: Due to the very small percentage of foreign shareholders, our communications on SEONet, AJPES and the company's web server are published only in Slovenian. Interested potential investors can obtain information on the business in the annual reports, on the company's website or by contacting the company's representatives directly.

6.10 Information in accordance with the Companies Act, Article 70, Paragraph 6

Datalab d.d., as a company subject to the application of the law governing takeovers, in accordance with the provisions of Article 70(6) of the Companies Act, provides information as on the last day of the financial year and all necessary explanatory notes.

6.10.1 Structure of share capital

The share capital of the Company is divided into EUR 2,189,884 ordinary registered freely transferable fractional shares with voting rights and no par value. All shares are of one class. They are issued in dematerialized form and

entitle the holders to participate in the management of the company, to a share of the profits (dividend) and to an appropriate share of the assets remaining after the liquidation or bankruptcy of the company.

6.10.2 Restrictions on transfer of shares

All shares in the Company are freely transferable.

6.10.3 Significant direct and indirect holdings of securities of Datalab d.d.

At the end of the year, the significant holders of Datalab d.d.'s securities in terms of achieving the qualifying shareholding as defined by the Takeovers Act (ownership share greater than 5%) were Andrej Mertelj, Eglath Ventures d.o.o., Nepremičnine Noviforum d.o.o., and NLB Skladi-Slovenija (NLB Funds-Slovenija). Information on the number of shares and the shareholding as on 30 June 2022 is provided in the Annual Report 2022 in the Capital section, subsection Ownership structure of Datalab d.d. as on 30 June 2022.

6.10.4 Holders of securities conferring special control rights

The company has not issued any securities that grant special control rights.

6.10.5 Employee share scheme

By decision of the General Meeting of Shareholders, a portion of Datalab d.d.'s net profit for the financial year is set aside each year for profit-sharing. The scheme applies to Datalab d.d. and Datalab SI d.o.o. and was also established in the subsidiaries as of 2020.

Following the adoption of the annual report by the Board of Directors of Datalab d.d., the employees in the Republic of Slovenia (Datalab d.d. and Datalab SI do.o.o) are entitled to the amount of the net profit in accordance with the Employee Participation in Profit Sharing Act (ZUDDob).

According to ZUDDob, employees may be paid a maximum of 20% of the net profit of each financial year in this way and the payments may not exceed 10% of the annual gross amount of salaries. Employees are paid a share of the company's balance sheet profit in the form of shares (Employee Stock Ownership Plan or Employee Stock Ownership Plan, as the case may be), or in the form of a share of the company's net profit. Individual profit sharing is governed by an Employee Profit Sharing Agreement, which is concluded with the employees independently for each financial year and must be approved by the Ministry of Economic Development and Technology and entered in the register.

The number of shares is determined by the gross salary of the employee, the number of hours worked during the financial year and the individual performance evaluation of the employee. The issue or sale value of a share shall be determined in accordance with Article 15 of ZUDDob, which states that the purchase price of shares issued under the share scheme shall not be less than the last market price of the shares already issued by the company, the last market price being the average price of the shares already issued by the company with which the shares issued under the share scheme will form the same class, as achieved in the course of dealings in those shares on a regulated market during the 12 months preceding the acquisition of the entitlement to the attributable shareholding.

This encourages employees to behave in such a way that they contribute to the value of the product through their quality work, which in turn contributes to the increase in the value of the DATG share, which also rewards the employee as a shareholder of the company.

The company has completed all share transfers for FY'19. For FY'20 and FY'21, the Company has not yet delivered the shares to the beneficiaries, but the cost of the shares (and the corresponding valuation adjustments) are included in the FY'22 financial report. The Company intends to deliver the shares to the beneficiaries for FY'20 and FY'21 by the FY'22 AGM.

6.10.6 Restrictions on voting shares

There is no restriction on voting rights.

6.10.7 Arrangements between shareholders that may result in a restriction on the transfer of shares or voting rights

The Company is only aware of the following arrangements between shareholders that may result in a restriction on the transfer of shares or voting rights to the Company:

Voting consistency between Biserka Mertelj, Marjan Mertelj and Andrej Mertelj: the family votes in harmony. Andrej Mertelj and Eglath Ventures have also had a published agreement on harmonized voting since 2012.

6.10.8 Company Rules

On the appointment and replacement of members of management or supervisory bodies:

Datalab d.d. has a single-tier corporate governance system. The company is managed by a Board of Directors, which appoints the Chief Executive Officer. The Chief Executive Officer independently represents the company. The board of directors may delegate to the executive director the tasks of managing the day-to-day business, registering entries and submitting documents to the registry, keeping the books of account and drawing up the annual report, to which the auditor's report and the proposal for the use of the balance-sheet profit shall be annexed. In the performance of their duties, the Executive Director must comply with the instructions and limits imposed on them by the General Meeting of the Company, the Board of Directors and the Articles of Association.

The members of the Company's Board of Directors are appointed by the General Meeting for a maximum term of 6 years, unless the decision appointing them provides otherwise, with the possibility of reappointment. The Board of Directors shall elect a Chairman and a Deputy Chairman from among its members, provided that the Chairman of the Board of Directors may not be an executive director of the Company.

The Board of Directors appoints one or more of the Company's executive directors for a term of six years, including at least one of the members of the Board. The decision appointing each executive director shall be accompanied by a decision specifying the manner of his representation and the scope of his rights of representation, without prejudice to any limitations on the granting of rights in an internal relationship, which shall have no legal effect vis-à-vis third parties.

On amendments to the Articles of Association:

The General Meeting decides on amendments to the articles of association by a three-fourths majority of the share capital represented at the meeting.

6.10.9 Powers of the members of the management, in particular with regard to own shares

The share capital of the Company amounts to EUR 4,379,768. The Board of Directors is authorized to increase the share capital of the Company by a maximum amount of EUR 2,189,884 five years after the entry of an amendment to the Articles of Association of the Company in the Court Register, authorizing the Board of Directors to issue new fractional shares for cash or in kind. The increase in the share capital shall be effected by the issue of a corresponding number of new ordinary registered lump shares carrying the same rights as the shares of the previous issues, which may be increased by contributions in cash or in kind.

New shares may be issued to: raise fresh capital, to pay bonuses to management, to reward employees in accordance with the ZUDDob, to reward MSOPs, to allow new shareholders to join, to acquire or join a strategic partner, to exchange convertible bonds or for other purposes in accordance with the law.

Existing shareholders have a pre-emptive right to subscribe for new shares in proportion to their shareholdings in the share capital. The time limit for exercising this right is 15 days.

The Board of Directors may exclude this pre-emptive right at any time.

The Board of Directors is authorized, following the increase in the share capital and the issue of shares in respect of the authorized capital, to adjust the Articles of Association of the Company accordingly, so that the provisions of the Articles of Association correspond to the new facts arising from the increase in the share capital.

6.10.10 Significant arrangements that take effect, are modified or terminated as a result of a change of control of the company resulting from a public takeover bid

The Company is not aware of any such arrangements.

6.10.11 Arrangements between the company and members of its management or supervisory bodies or employees providing for compensation if, as a result of an offer as defined by the law governing takeovers, they resign, are dismissed without just cause or their employment is terminated

In the event of resignation, the Board of Directors or the Executive Director shall not be entitled to a severance payment, but in the event of recall and termination of the contract of employment without just cause, the Board of Directors or the Executive Director shall be entitled to a severance payment.



7 Company Staff

7.1 Staff policy in 2022

Last year was another challenging year for Datalab's employees, who are an important stakeholder in the Group's business. Most of the financial year was again marked by the epidemiological situation in the region and additionally by geopolitical events in the world. We recognize that by investing in our people, we are not only demonstrating our responsibility to our colleagues, but also our responsibility to society at large. We have demonstrated the flexibility of the entire Group by adapting quickly to unexpected situations and achieving all our objectives without major disruptions to our business or operational processes.

In 2022, the strategic direction of the HR policy has been refocused on increasing the performance and productivity of the Datalab Group, retaining key staff and attracting the best talent in the labor market, increasing employee engagement and performance, and raising the profile of the Group in the wider environment.

Staff training and development is planned and regularly monitored, while increasing their responsibility in their jobs and encouraging them to take on new tasks and be assigned to new positions. Together with various motivational measures, we strengthen Datalab's loyalty to the Group, thereby reducing the likelihood of employees leaving. We manage the risk of skills shortages in the labor market through an active presence on the labor market, by raising the profile of the company as a reputable employer, by cooperating with universities and schools, and also by providing scholarships. Knowledge is the future for society and Datalab Group is aware of this, which is why we actively cooperate with schools and colleges, offering students work placements, scholarships and participation in various projects while they are still at school.

Our employees are characterized by their commitment and dedication, high level of knowledge, initiative, creativity and professional attitude. Care for staff training, an appropriate recruitment policy and concern for the health and safety of our employees are the main factors in our human resources management, which is gradually being upgraded. The interdisciplinarity of our team of employees helps us to achieve high, added value and to develop a product based on the latest knowledge, technologies, research and innovation.

7.2 Remuneration, incentive and reward policy

In 2022, we have continued with the guidelines we have set in the past to motivate our employees to achieve our goals. Remuneration consists of a fixed part and a variable part. The purpose of the variable part of remuneration is to incentivize employees for their contribution to the business result and to encourage individual progress. The allocation of the variable remuneration takes into account the achievement of the agreed plans and the quality of the tasks performed. Employees received a performance bonus and a profit-sharing bonus in accordance with a share-based remuneration scheme to encourage employee ownership of the company. After ten years of experience with this reward system, it has proven to be an effective model of employee ownership of the company, which further motivates employees at work and deepens their commitment to the company and to co-creating the future of the company. The fact that former employees can still be co-owners after leaving the company if they wish to do so is also an element of such returns.

7.3 Responsibility towards employees

Employees are the key to our success, so we encourage their professional and personal development, information transfer, collaboration and creativity.

We contribute to a productive working environment through open, regular, responsible and ethical communication between employees and management. At the same time, we increase a sense of belonging, build a culture of mutual trust and respect, and conduct ourselves in a responsible and efficient manner.

The Group has for many years been using a tool for targeted management of its employees, the annual interview. The purpose of these interviews is to maintain appropriate communication between managers and employees, to review and set objectives, and to have concrete discussions on the development plan and possible career changes. Open and regular internal communication is established and takes place directly at internal meetings, sectoral colleges and other formal and less formal meetings.

From the very beginning, Datalab has used web technologies for internal communication. The internal communication system has been regularly updated in step with the development of web technologies and combined with other means of communication and electronic commerce. This improves communication and the transmission of information and documentation, making day-to-day work easier and ensuring that key information reaches its recipients more easily, quickly and transparently.

We will focus our activities at all levels of management and career building at corporate level on establishing a succession policy and, accordingly, implementing talent development programs and improving the mentoring system for both existing employees and new recruits.

Training programs have been upgraded through systematic orientation towards circular training programs. To improve our position in the battle for talent, we will continue to partner with technical and social science faculties and continue our Employer Branding activities, through which we aim to strengthen Datalab's image as a desirable employer.

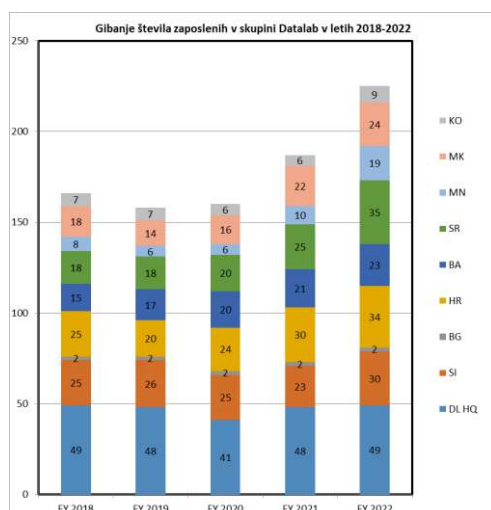
We will strive to provide our employees with the best possible opportunities to network, transfer knowledge and develop the skills they need for both personal and company growth.

Every year, we organize various events to strengthen employee loyalty.

As is traditionally the case, we also held a voting and award ceremony for Datalab Superstars this year (unfortunately also online this year), where employees choose who deserves to be a Datalab Superstar in each year (at the level of the parent company and in each subsidiary) due to their special achievements and efforts.

We also show our care for our employees through leisure activities. Before the end of the 2022 financial year, after two years, in 2022, we managed to organize an informal employee get-together on the Slovenian coast, which was a welcome change of pace for all online and hybrid events over the last two years.

7.4 Staff structure in 2022



At the end of the 2022 financial year, the Datalab Group employed 223 people. Compared to 2021, the number of employees has increased by just under 15%.

By type of employment, the largest share of employees is in regular employment, accounting for more than 98% of all employment.

	DL HQ		SI		HR		BA		SR		BG		MN		MK		KO		DL GROUP	
Type of employment	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022
Regular employees	48	49	22	26	30	26	21	21	25	34	2	2	19	19	22	23	3	6	193	206
Contract work						3	1	2		1					1		2	1		9
Students			1	2		5	0	0							0	2	1	1		8
Total	48	49	25	30	30	34	22	23	25	35	2	2	19	19	22	24	3	9	195	223

7.5 Educational structure

The educational structure of the workforce at the end of 2022 was at a similar level as in previous years. We are a company focused on growth and development, which also applies to investments in key personnel. The main driver of our growth is our ambitious and highly motivated team of employees, who are leading the company to industry-leading positions in our target markets. We invest in the development of our people, their knowledge, and core competencies. We have formed interdisciplinary teams to increase the flow of knowledge.

Investing heavily in development and ensuring competitiveness requires highly skilled professionals in all areas. The share of employees with at least a level VI qualification in the Datalab Group in 2022 is more than 95%.

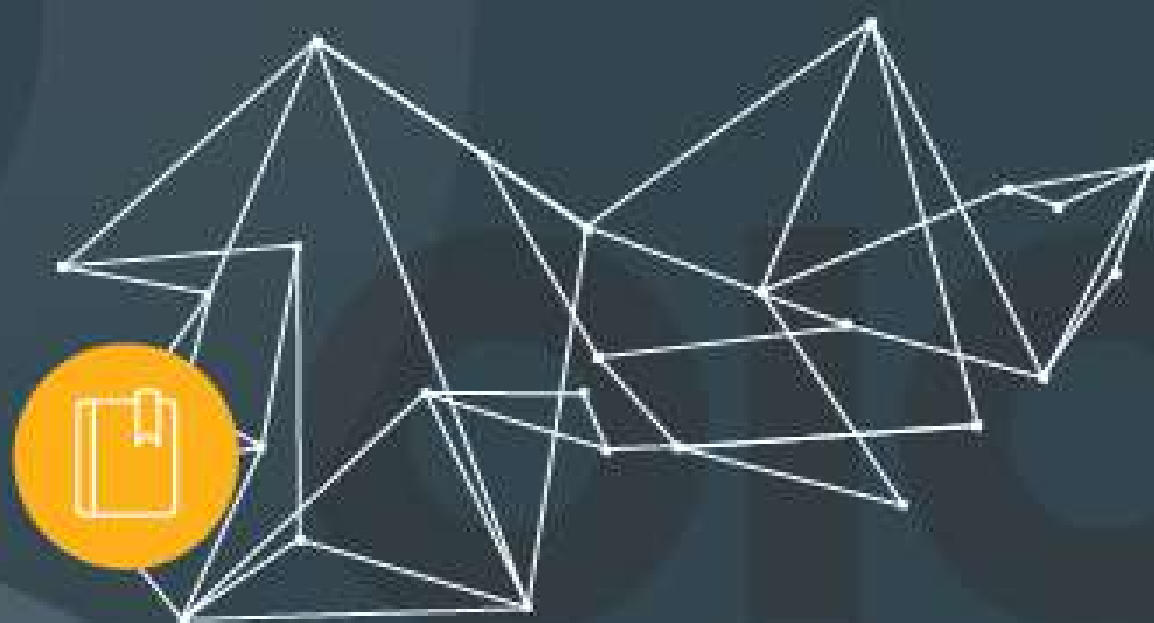
7.6 Occupational health and safety

We understand that investing in the health and safety of our employees is not an expense, it is an investment. Good health and well-being in general is a prerequisite for a quality and successful life and work. That is why we pay special attention to safety in the workplace and continuously improve it through our annual Occupational Safety and Health Promotion Program. In addition to the basic purpose of the programs, which is to provide a safe and supportive working environment, we also aim to complement the programs by raising awareness of safe and healthy workplace lifestyle skills that can be transferred to private life. By promoting healthy lifestyles among employees and by taking responsibility for their own health, we can prevent the development of many chronic diseases that are usually linked to an individual's lifestyle. In this way, we can also improve the quality of life in later old age.

We strive to provide our employees with the best possible working conditions. A workplace risk assessment is carried out for each job. Work resources are regularly reviewed and the working environment is reviewed and improved, taking into account the risks of accidents and ill health.

As every year, employees received in-house training in occupational health and safety and fire safety. Employees were also referred for periodic medical check-ups and new employees for preliminary medical check-ups.

Information on health topics is provided to staff through internal communications.

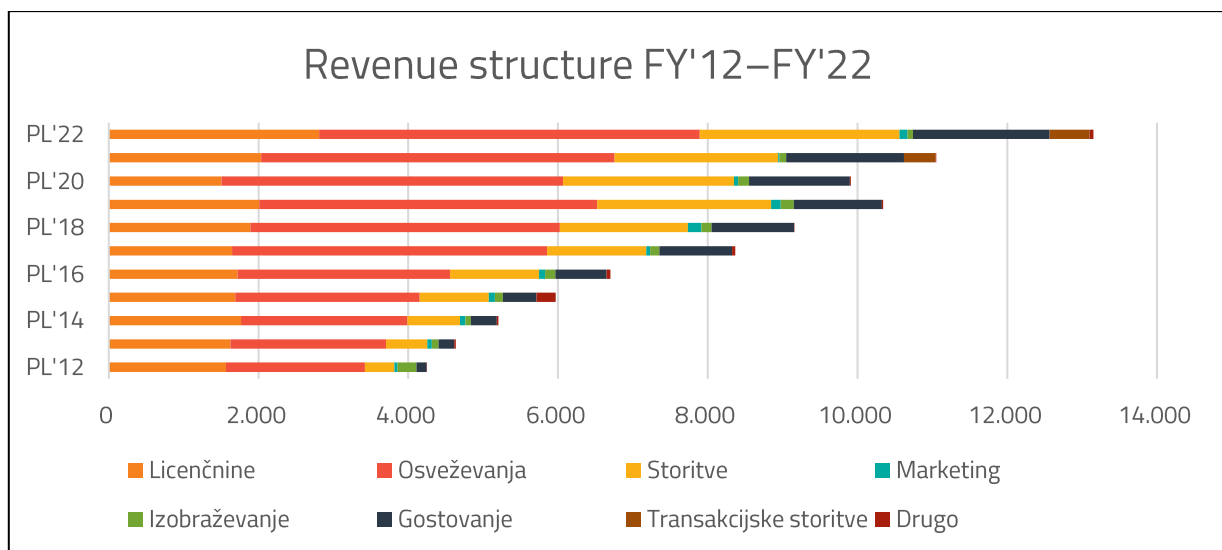


8 Business Report

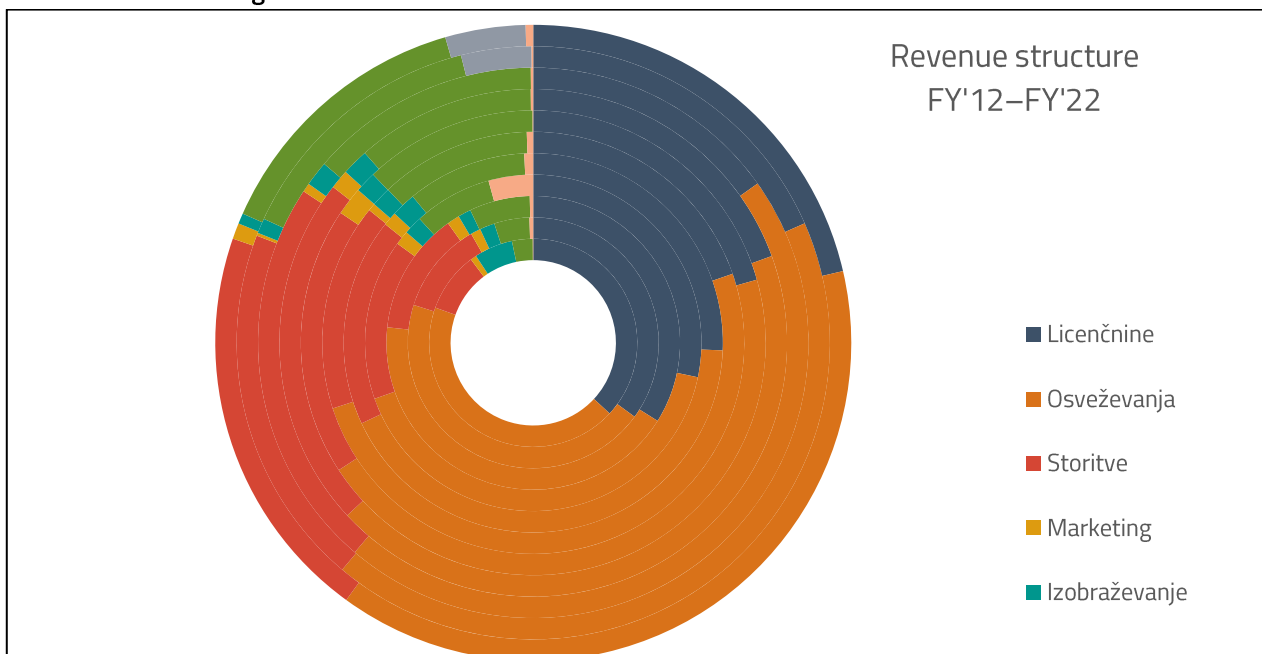
The business report is based on the balance sheet data of Datalab SI d.o.o., Datalab HR d.o.o., Datalab BA d.o.o., Datalab SR d.o.o., Datalab MK d.o.o. as well as Datalab KS d.o.o. and Datalab MN d.o.o.. The figures (the sum of these) differ from the consolidated figures of the Datalab Group due to the different ownership of the companies, but they reflect a realistic picture of the reach of our software in each of these markets.

8.1 Sales

In FY'22, revenue growth of 19% compared to FY'21 was achieved, amounting to EUR 13,151,000. The growth is mainly due to the focus on segments with higher investment activities and companies that implemented replacements of existing ERP systems.



Revenue structure and growth rates:



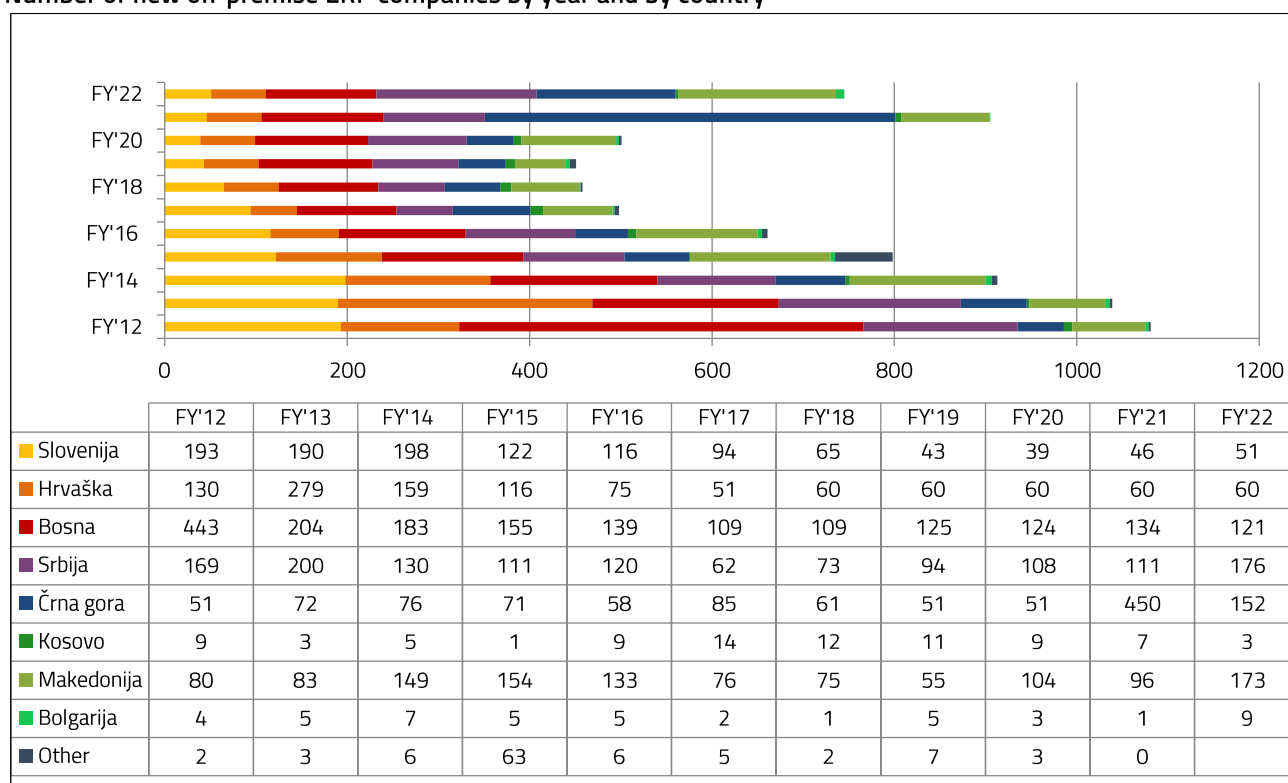
Revenue structure	FY'22	FY'21	Index %
License fees	2,812	2,034	138%
Upgrade fees	5,08	4,723	108%
Services	2,671	2,182	122%
Marketing	106	18	589%
Education	71	90	78%
Cloud	1,825	1,571	116%
Transaction services	537	424	127%
Other	50	10	501%

In FY'22, the growth is mainly attributable to the sale of new licenses, both on-premise (38% growth) and those activated in the cloud (16% growth). In the Transaction Services (eBusiness) segment, we achieved 27% growth, while license upgrades revenue grew by 8%.

8.1.1 On-premise license sales

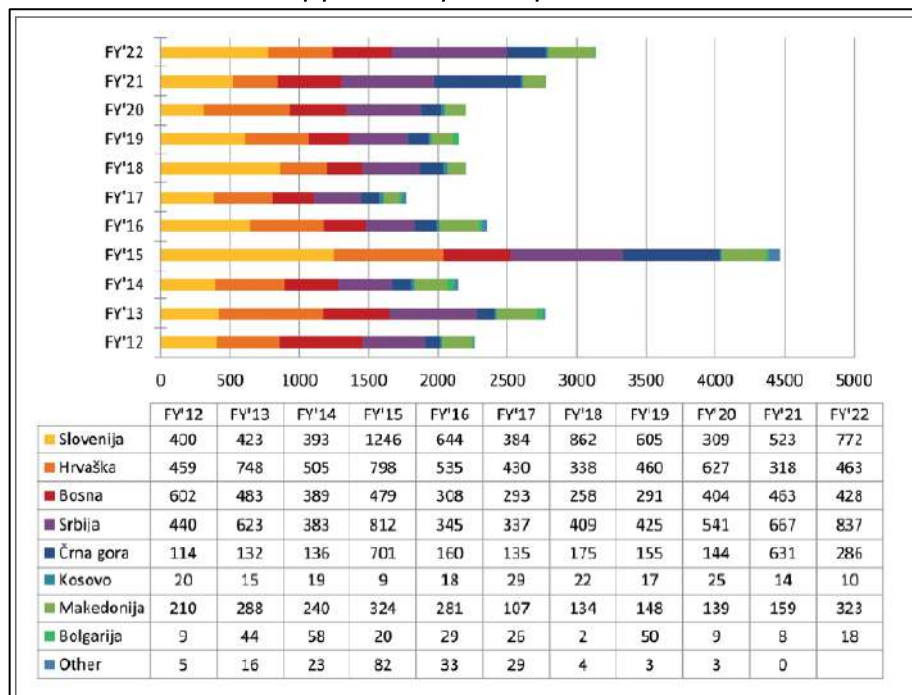
On-premise licenses (PANTHEON LT/LX/SE/ME/MF/GE, PANTHEON Vet) are licenses for which the user pays the full cost of the licenses and installs them on their own IT infrastructure. The user pays the annual upgrade fee in order to keep up-to-date with new versions containing new features and legislation changes. For on-premise license users, we provide a full set of eBusiness services (eDocuments, ePosting, Backup, SMS notifications).

Number of new on-premise ERP companies by year and by country



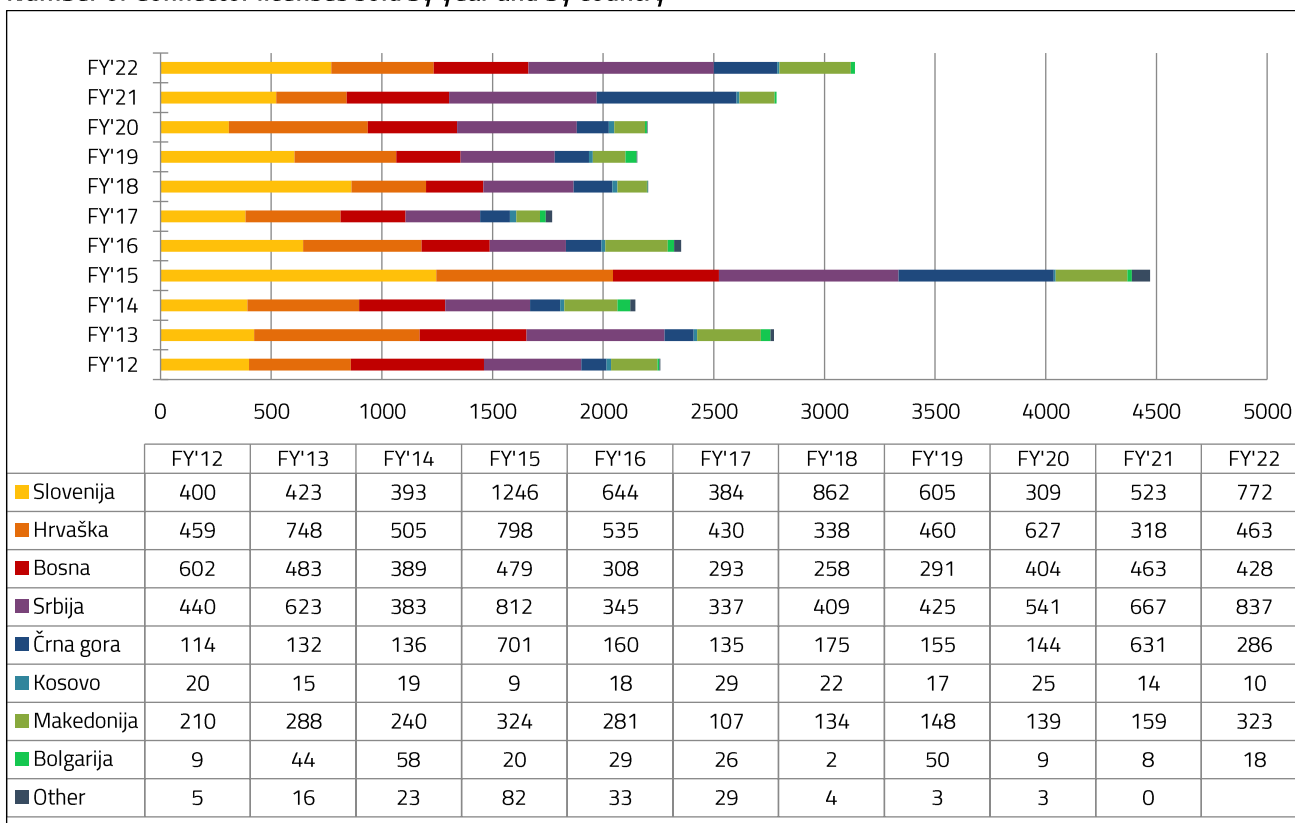
In FY'22, we sold ERP licenses to 745 new companies, which represents a 21% decrease compared to FY'21. The biggest decrease in the number of new companies using on-premise licenses compared to the previous year was in Montenegro, where the effect of the mandatory fiscalization of invoices has passed.

Number of licenses sold by year and by country



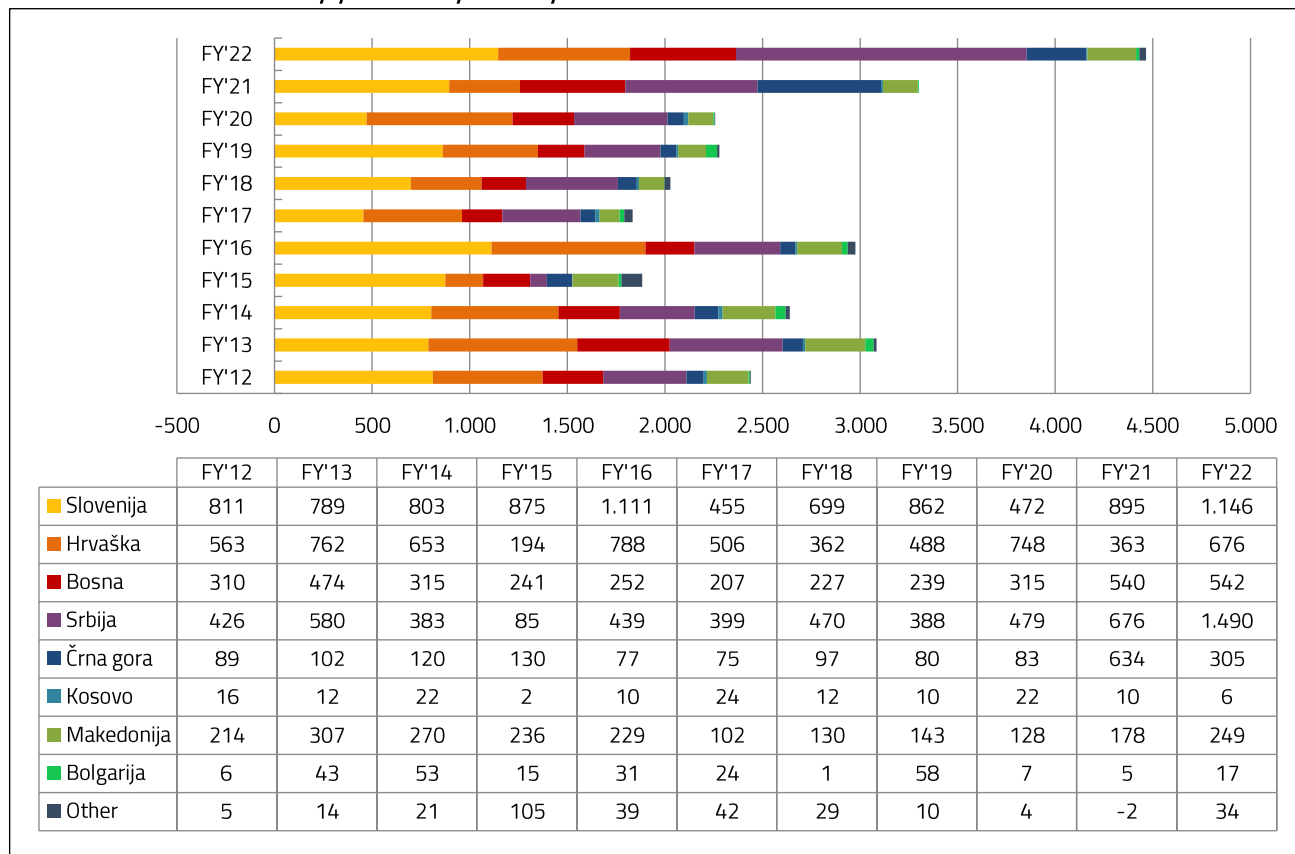
In FY'22, we sold 3,137 on-premise ERP licenses, up 13% compared to FY'21. Larger users contributed the most to the higher on-premise license growth trend, while the number of new on-premise licenses in the SME segment resulted in a slight growth. In FY'23, we intend to further boost the sales of cloud licenses in the SME segment as they enable users to integrate advanced e-services more easily, thereby increasing the revenue per user generated by our business offering these services.

Number of Connector licenses sold by year and by country



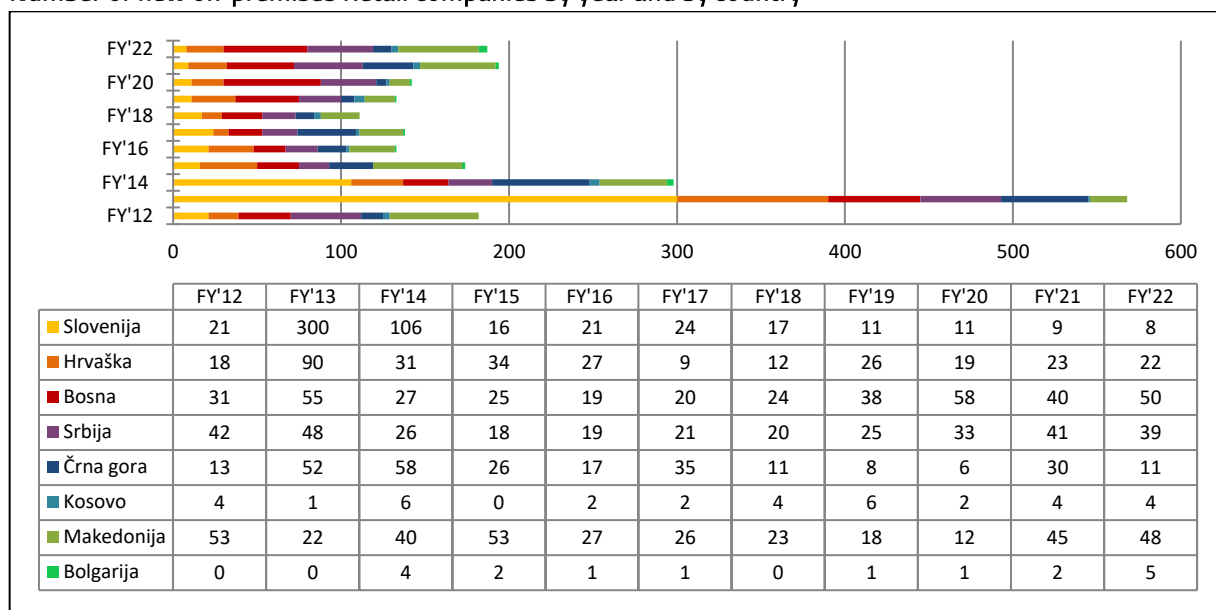
In FY'22, we sold 194 Connector licenses, representing 71% of the previous financial year's realization. Connector licenses are mostly sold (one-time purchase, then we charge for upgrades) on on-premise installations to larger users. We expect additional revenues in the coming years from our new product, PANTHEON Automation Server and API protocols.

Sales revenue of licenses by year and by country



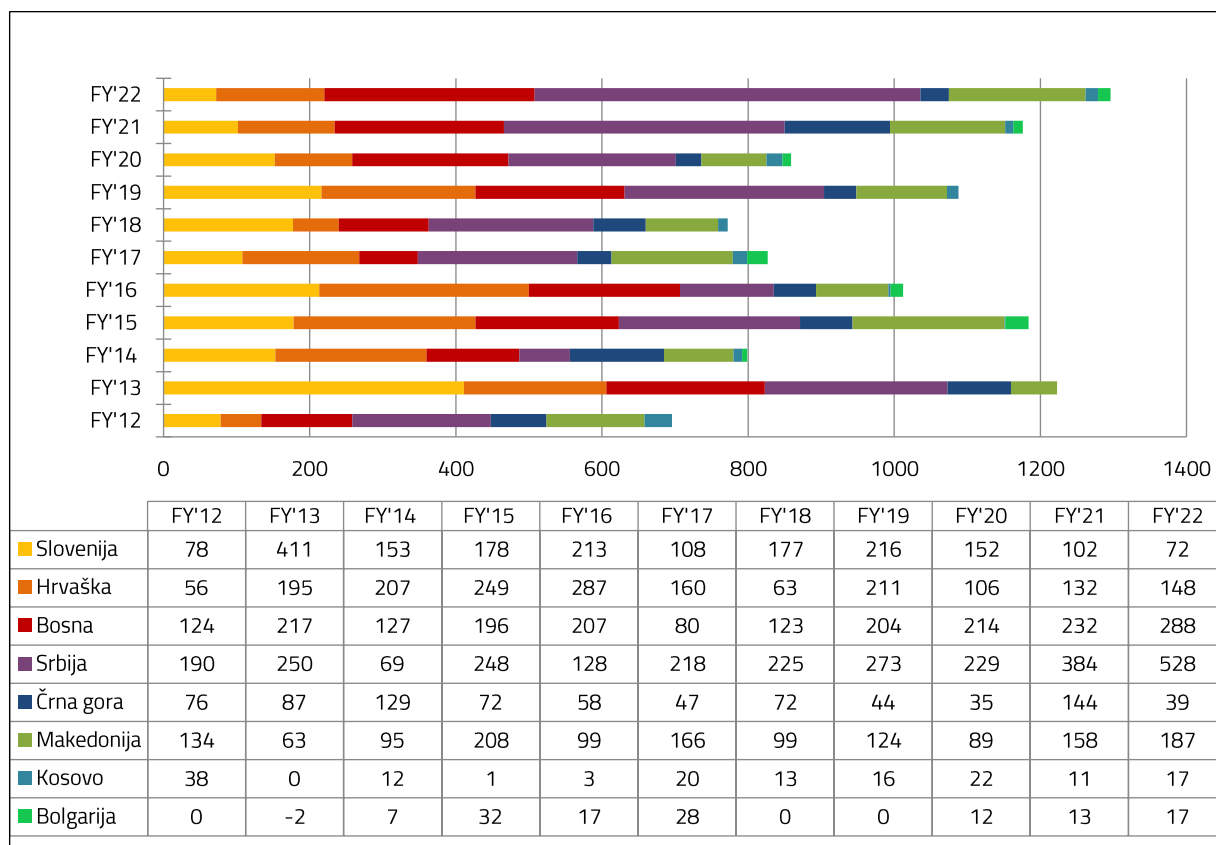
The value of licenses sold (in 1000 EUR) in FY'22 amounted to EUR 4,465,000, which represents an increase of 35% compared to FY'21. We managed to increase the average price of licenses sold by 15%, which is due to the fact that we sold licenses of higher value or to more demanding users.

Number of new on-premises Retail companies by year and by country



In FY'22, we sold Retail on-premise licenses (RT, RE) to 187 new businesses, a 4% drop compared to FY'21.

Number of on-premises Retail licenses sold by year and by country



In FY'22 we sold Retail on-premise licenses (RT, RE) to 1,296 new users, which represents a 10% growth in sales compared to FY'21. Retail sales were the biggest victim of the Covid-19 pandemic, so as the situation normalized they started to expand again, which led to an increase in license sales.

8.1.2 Cloud business

Cloud services revenue^{1,2} grew by 8% to EUR 1.455 million in comparison with last year.

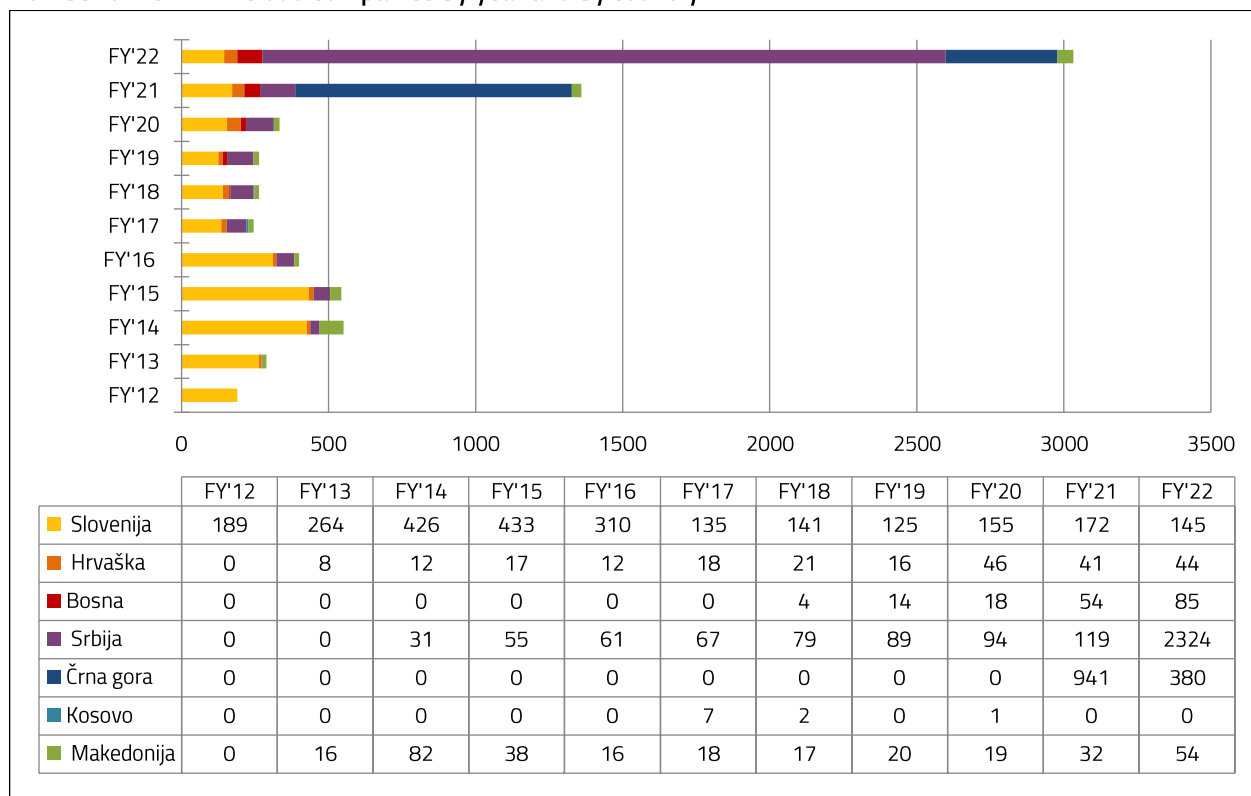
In all markets, national telcos charge customers for cloud services. Our revenue includes the discounted revenue we charge the telcos. The impact of the cooperation is visible on the cost side, as the cost of having our own datacenter is no longer necessary, and the marketing investments of the company itself have been adjusted (transfer of part of the advertising to the telco), while the basic positioning of the service is advertised by the telcos, which contributes to a more visible position on the market. Cloud sales are also interesting because they are a generator and immediate enabler of transactional revenues.

¹ Cloud KPIs measure the change in activated licenses. If a cloud subscription is cancelled, the cancelled licenses will be deducted from the result of the year in which they were activated, therefore certain values may even be negative.

² From FY'21 onwards, we will also include new products from the PANTHEON Web family into this reporting part (Cloud business).

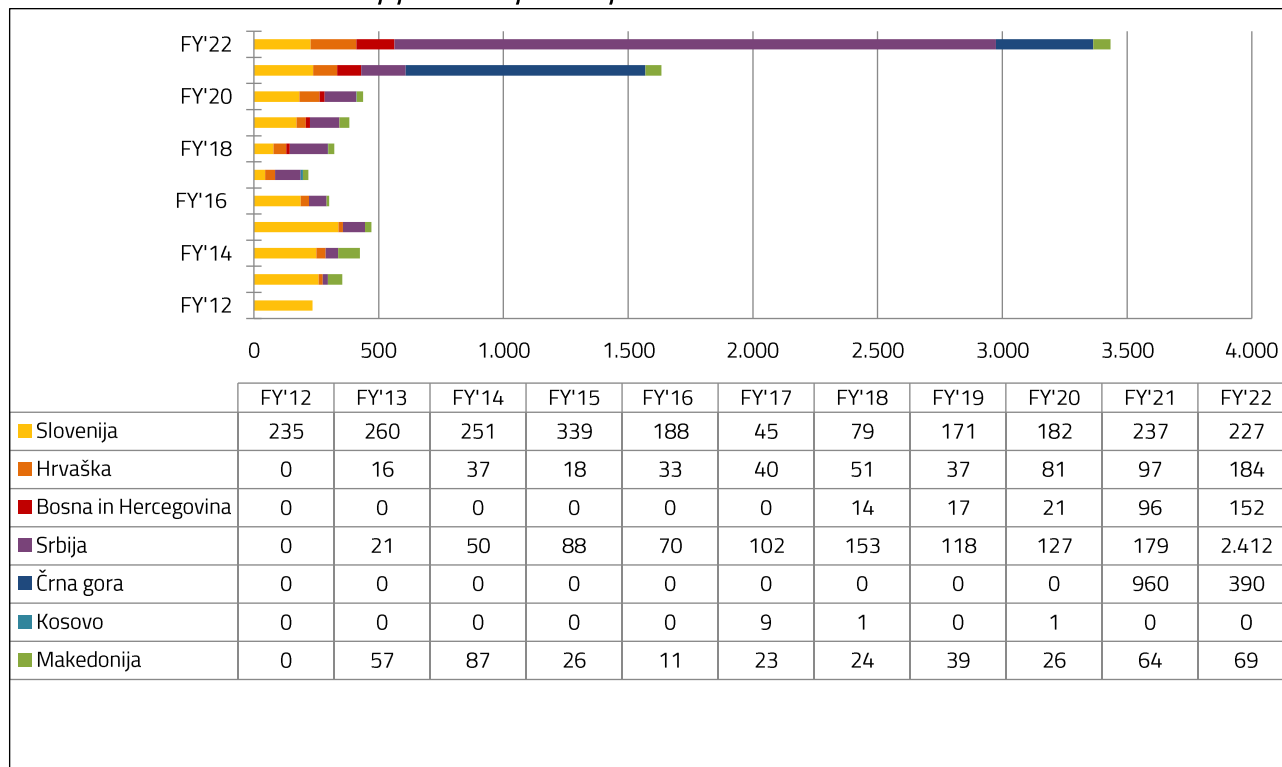
8.1.2.1 New ERP cloud sales

Number of new ERP cloud companies by year and by country



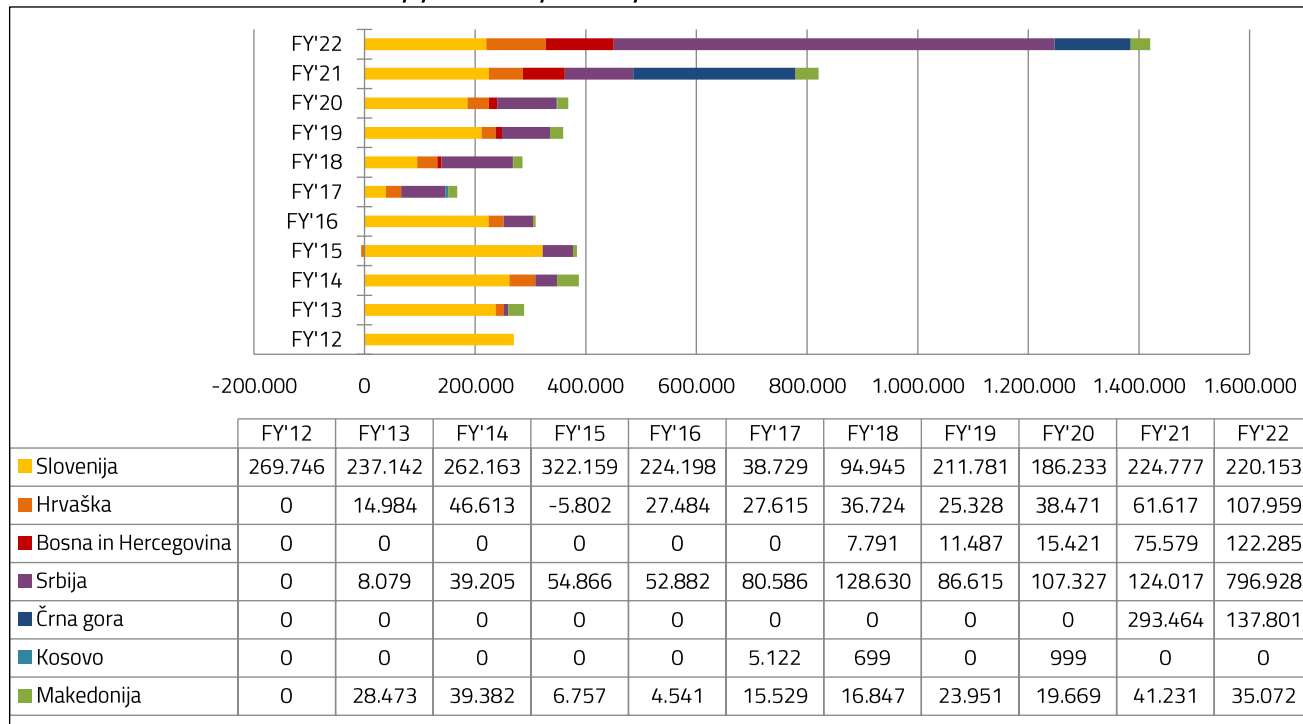
In FY'22, PANTHEON LT/LX/SE/ME/MF/GE licenses were activated in 3,032 new companies (+223% compared to FY'21). The biggest growth is in Serbia, where electronic fiscalization of retail invoices was introduced.

Number of new Cloud licenses by year and by country



In FY'22, we activated 3,434 new ERP cloud licenses, which represents a 210% growth compared to FY'21. The highest growth was achieved in Serbia with the sale of the Web Light license in the Micro Enterprise segment.

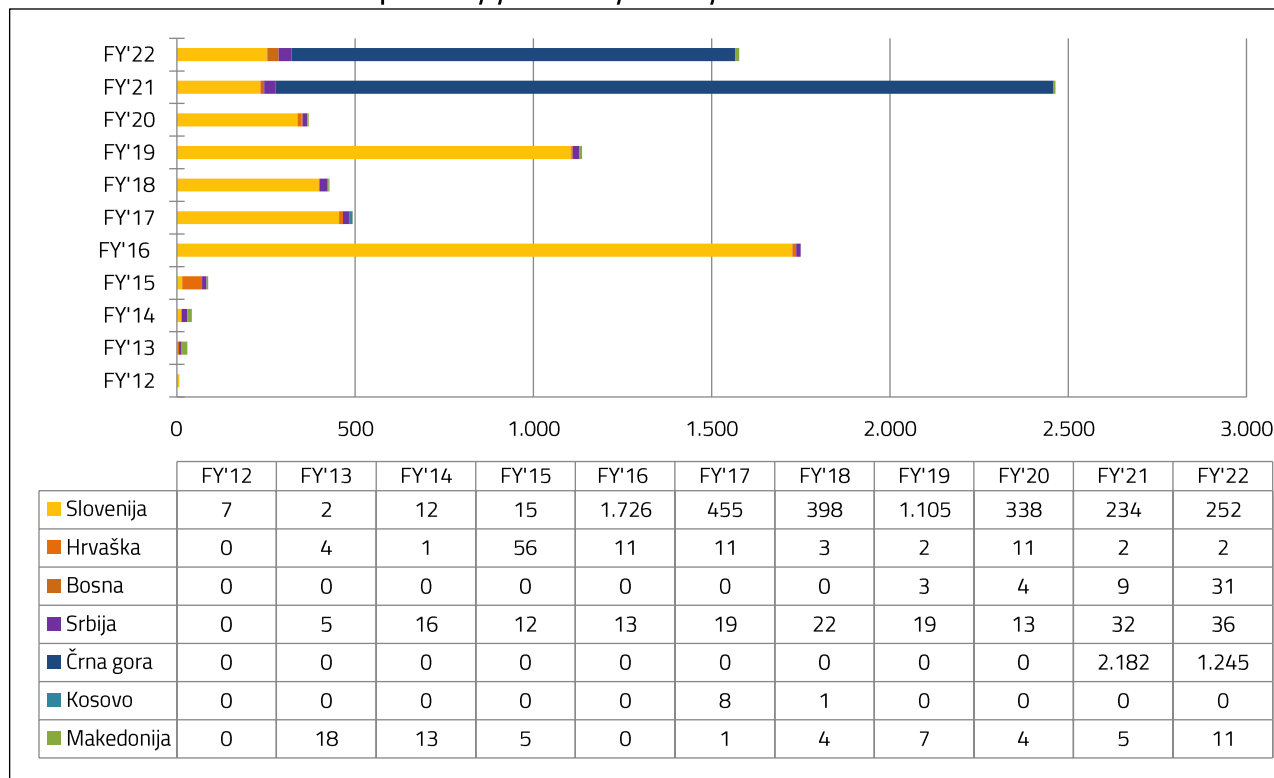
Value of new ERP Cloud licenses by year and by country



The net value of new cloud ERP licenses in FY'22 was EUR 1,420,298, a 73% increase compared to FY'21.

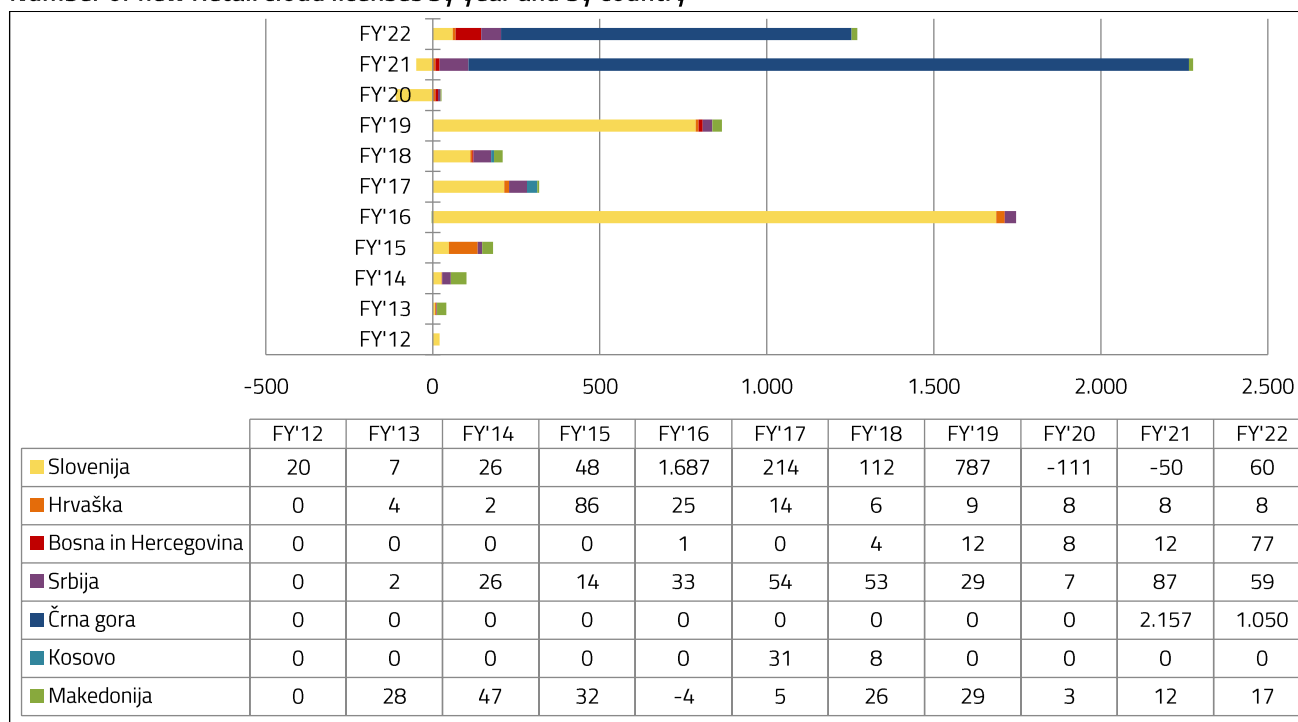
8.1.2.2 New Retail Cloud Sales

Number of new Retail cloud companies by year and by country



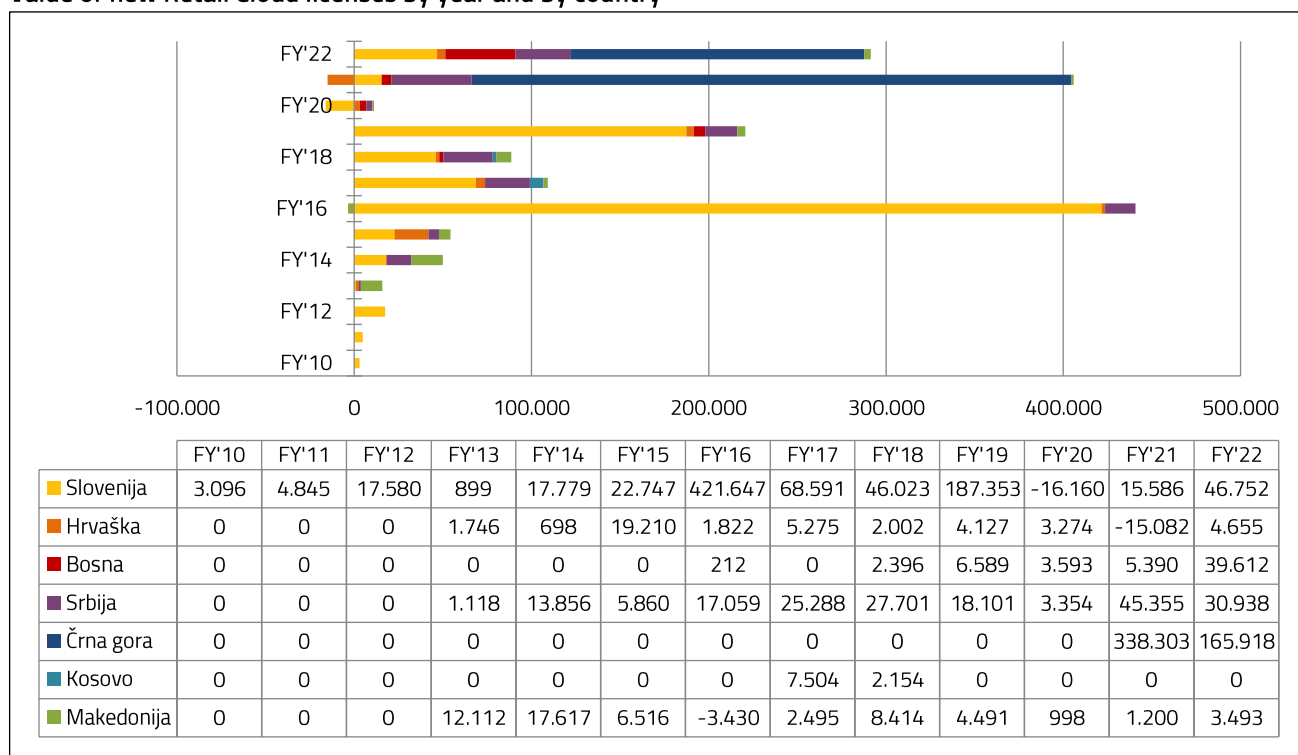
In FY'22, the number of new Retail cloud companies increased by 1,577, which represents an index of 64% of new companies in FY'21. The biggest change occurred in Montenegro due to the deceleration of the impact of mandatory fiscalization that took place in FY'21.

Number of new Retail cloud licenses by year and by country



In FY'22, the number of new Retail cloud licenses increased by 1,271, representing an index of 57% of new FY'21 companies. The biggest change occurred in Montenegro due to the deceleration of the impact of the mandatory fiscalization that took place in FY'21.

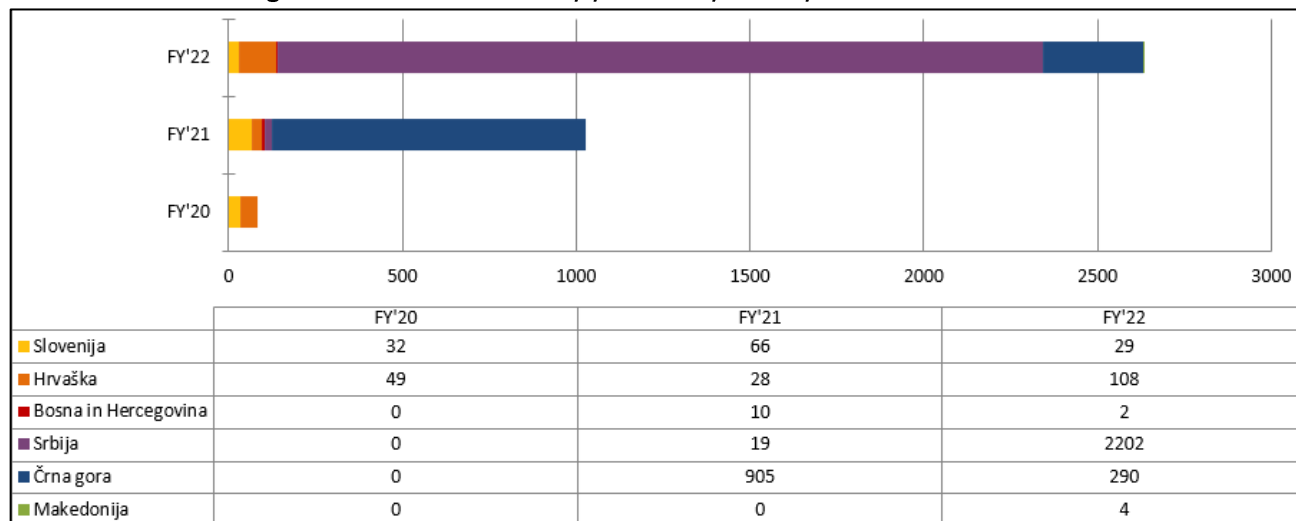
Value of new Retail Cloud licenses by year and by country



In FY'22, the value of new Retail cloud licenses increased by 291,368 €, which represents an index of 57% of new FY'21 companies. The biggest change occurred in Montenegro due to the deceleration of the fiscalization effect that took place in FY'21.

8.1.3 New sales of Cloud Selling Web Licenses

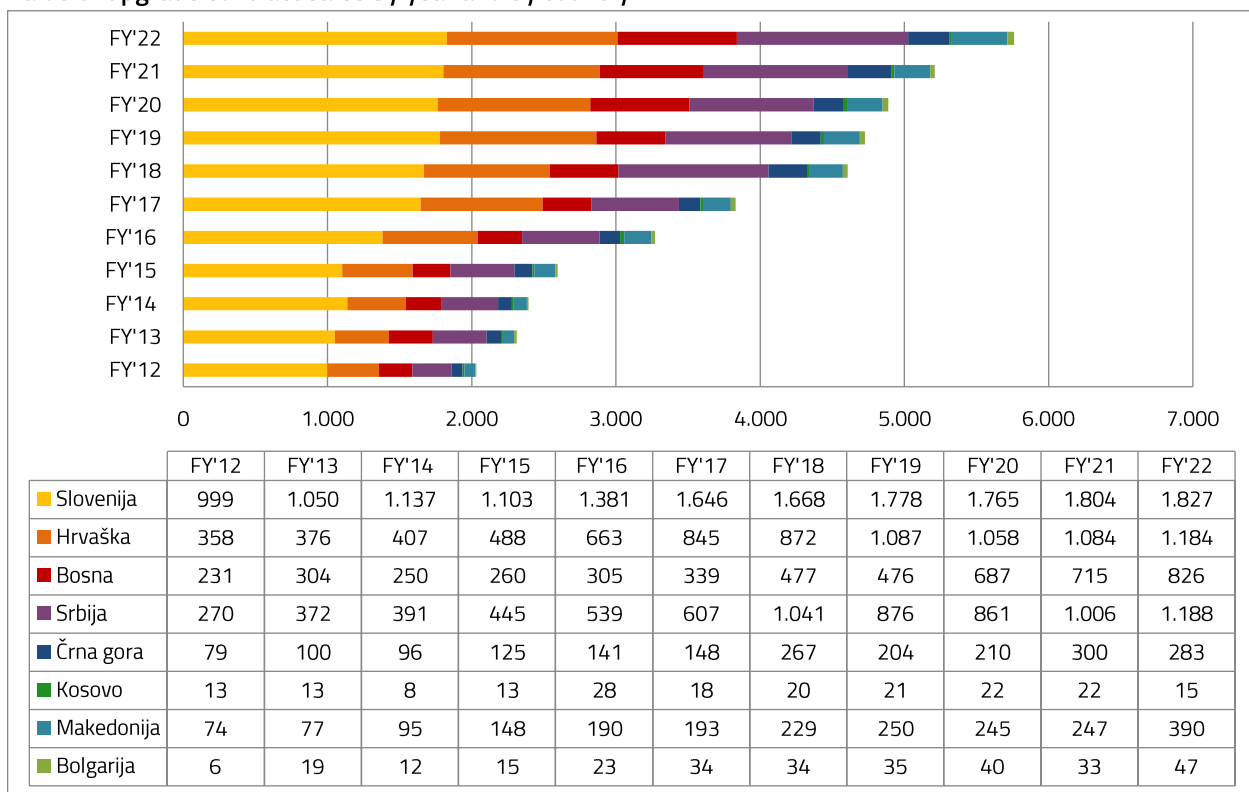
Number of new Web Light (PAW) Cloud licenses by year and by country



The number of new PANTHEON Web Light cloud licenses increased by 2,635 in FY'22, representing a 256% increase compared to FY'21. The main contributor to the growth was the activation of licenses in Serbia.

8.1.4 Upgrade fee contracts

Value of upgrade contract sales by year and by country



The value of upgrade sales in FY'22 rose to EUR 5,790,000, an increase of 11% compared to FY'21.

8.1.5 Transaction revenue

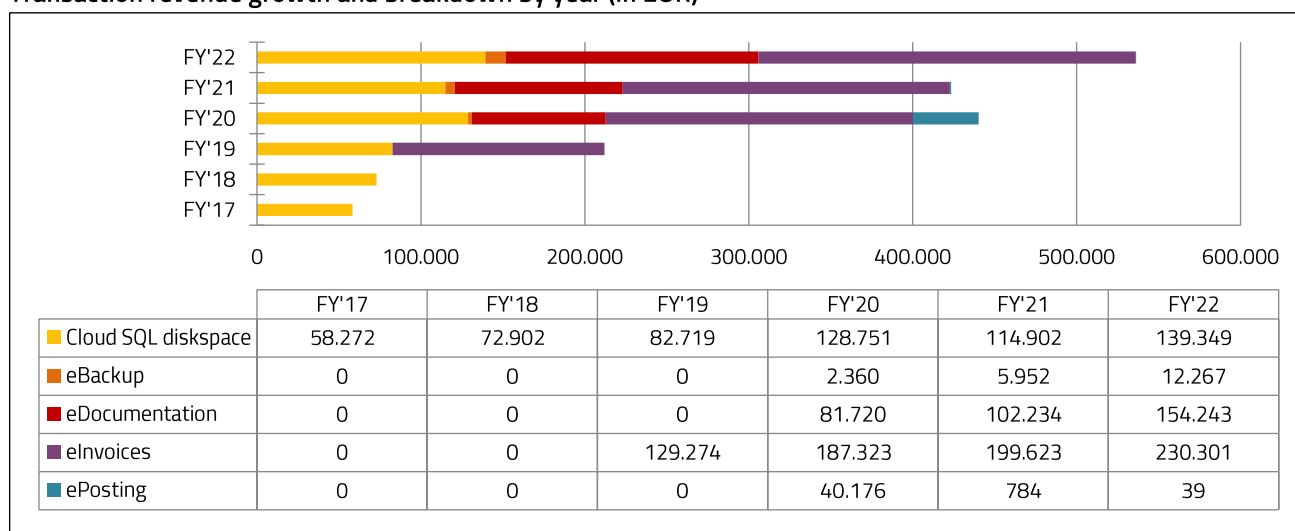
Transactional revenues are a group of digital services that we offer when you use the software package itself. Transactional revenue includes:

- Sale of Cloud SQL disc space
- Exchange of electronic documents (eInvoices)
- Backup in the Cloud (eBackup)
- Subscription fee and used document storage space (eDocumentation)
- Conversion of scanned invoices into electronic invoices and automatic posting (ePosting)
- SMS notifications

The nature of the revenues from the set of transaction services is such that they increase generically with the assumption that users do not delete data because the cost of storage is negligible. Thus, the growth in the revenue of this group is due to the growth in the number of users of these services and the increase in the revenue per user due to the generic nature of this revenue.

In FY'22, Transactional revenue amounted to EUR 536,199, which is 26% more than in FY'21. The increase in revenue is in all sales segments except in the ePosting group, where we have made the GoDigital campaign free for all companies in FY'22.

Transaction revenue growth and breakdown by year (in EUR)



8.2 Services (Universal Service Desk – USD)

A USD department is part of each subsidiary. The department consists of a Manager and Advisors with different levels of knowledge and understanding of PANTHEON. They are professionals who are well versed in the different activities so that they can advise users on whatever business they are involved in.

Department management

Vladimir Paunović	Datalab d.d.	Corporate HEAd of USD (USD Department)
Monika Rodman	Datalab SI d.o.o.	Head of Support
Lorena Tomišić	Datalab HR d.o.o.	Head of Support
Emir Hasanović	Datalab BA d.o.o.	Head of Support
Goran Šulić	Datalab SR d.o.o.	Head of Support
George Nikolov	Datalab MK d.o.o.	Head of Support

New developments in the organization

The most significant changes and reorganization of the USD department took place in Datalab HR. Instead of Anja Prvulj, Lorena Tomšić was appointed Head of Department. Iva Prebeg was appointed to the post of Project Manager. There were also changes in the reorganization of Datalab SR, where Goran Šulić was reinstated as Head of Department and the former Head of Department, Vuk Simić, took over as Project Manager in Datalab SR.

In FY'22, compared to FY'21, changes have been made at the department level, where project managers have been appointed in the local markets of the subsidiaries to be responsible for project management and to be the main point of contact for sales, overseeing all phases of the sales process and the subsequent implementation of the software and services.

We have introduced calendars in our internal Help Desk system, which we have adapted throughout the year to meet needs. Advisers are required to create their own work schedule, which is then graphically visible on the Help Desk.

8.2.1 Number of employees

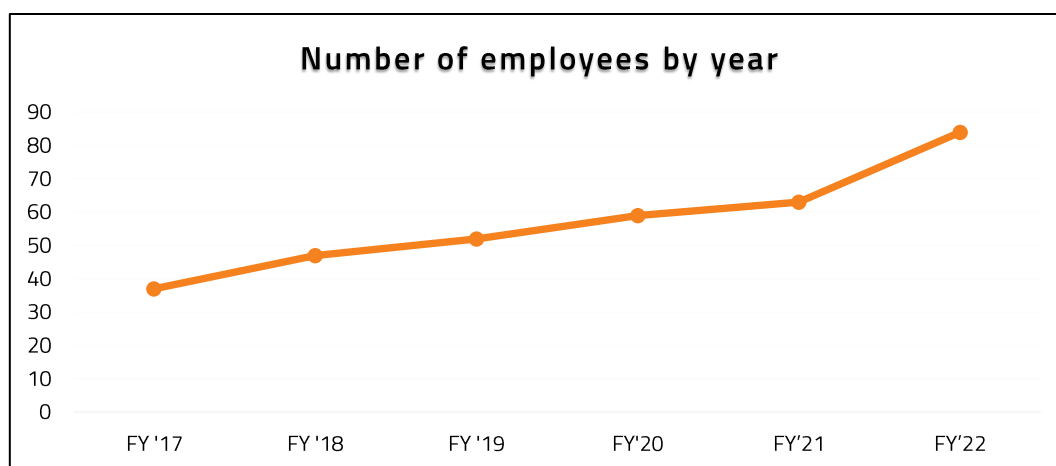
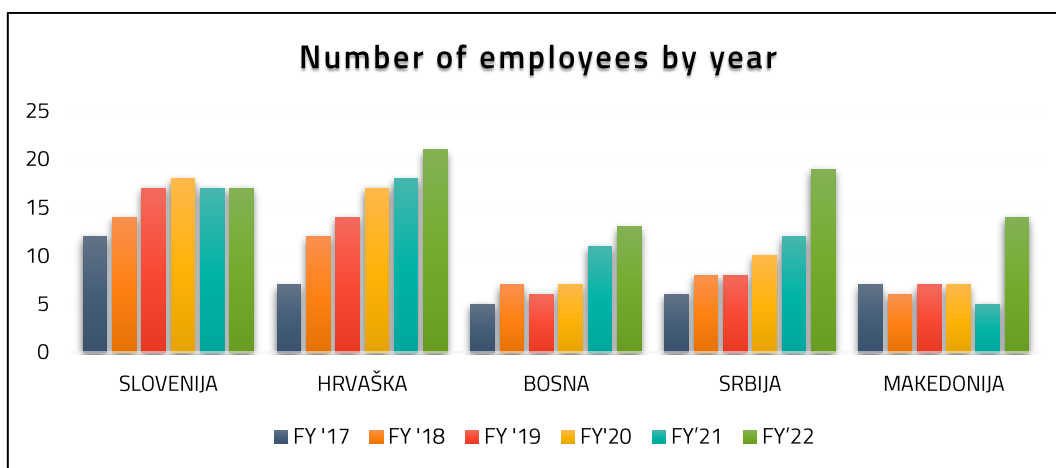
The number of staff at the end of FY'22 has increased by 21 compared to FY'21. The largest increase was in Datalab SR, where 7 additional consultants have been recruited, and the department is now ready for the increased workload foreseen. In Macedonia, the increase in the number of consultants is due to the effect of the merger of the partner company Incom into Datalab MK.

In all subsidiaries except Datalab BA, there have been more departures of more experienced consultants. In Datalab SR, the departures have been adequately replaced by senior consultants, while elsewhere we have recruited younger consultants who are being trained.

The departments in the subsidiaries are prepared for the increased workload planned for the next financial years. All USD departments are prepared for the increased volume of business in FY'22.

EMPLOYEES	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22
Slovenia	12	14	17	18	17	17
Croatia	7	12	14	17	18	21
BiH	5	7	6	7	11	13
Serbia	6	8	8	10	12	19
Macedonia	7	6	7	7	5	14
Total	37	47	52	59	63	84

Table: Number of employees by FY and country



8.2.2 USD services and our users

The correct implementation of the services we provide in the USD departments enables the smooth use of PANTHEON™, its legal compliance and the full exploitation of its potential.

The main users of the services provided are:

- PANTHEON users – help, customizations, implementations, etc.:
Services are divided into new user implementations with project management and user maintenance with and without maintenance contracts.
- Partners
Support to partners. The basis for cooperation with partners is a partnership agreement. This contract allows working with end-users in case of DL guarantees. They are treated in the same way as users with maintenance contracts.
- Development
Work for Development in individual USD departments when it comes to tracking local legislation, testing, reporting defects and suggesting improvements. DCD work consists of working on demo databases, documentation and videos (instructions, etc.).
- Sales
Working with the sales department on presentations, offers and joint marketing campaigns.
- Training new consultants (support providers)
A very important item is mentoring, which allows us to continuously train new consultants and continuously improve the skills of existing ones. It contributes to improving the quality of our services.

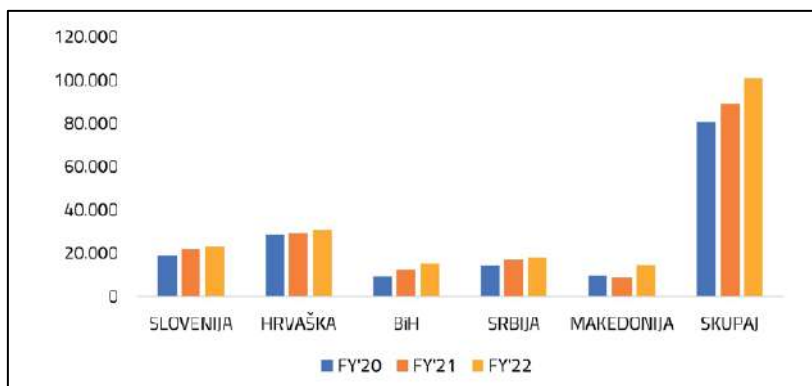
The categories of services we provide in the USD departments are:

- **Basic Services – Basic Maintenance**
Basic Maintenance services are designed to ensure the smooth and efficient operational functioning of the software package within the existing functionalities. The services are generally provided through the Service Desk System (SDS), occasionally also in the field.
- **Complementary services – complementary maintenance**
Complementary services are designed to ensure more efficient use of existing functionalities and implementation of new features with the aim of increasing the added value of the customer. This includes the development of solutions and interfaces with other software. Complementary maintenance is performed for both customers with or without maintenance agreements.
- **Maintenance agreements (MA)**
Maintenance agreements are concluded for agreed hours, at a lower hourly rate than those paid by non-contracted parties. Customers with MA have priority treatment and are entitled to a certain percent discount on complementary services, training, etc., which may vary from country to country.
- **Implementations (small and large)**
Introduction of a new IT system in companies, from consulting on how to simplify business processes in PANTHEON so that they still deliver the results and information the customer wants, to training the customer's employees so that they know how to use their new tool fully and correctly.

8.2.3 User assistance statistics

All the work done by USD employees is recorded, tracked and monitored/controlled by Service Desk or Help Desk systems.

The number of requests received/resolved and hours worked



Ticket settlement is stable, with very little difference between open and closed tickets. The increase in the number of tickets is followed by an increase in the number of consultants. The same applies to the number of working hours.

	FY'20			FY'21			FY'22		
	Open	Completed	Working hours	Open	Completed	Working hours	Open	Completed	Working hours
Slovenia	10,106	10,057	18,973	10,244	10,652	22,055	8,921	8,940	23,266
Croatia	7,934	8,410	28,452	9,324	9,150	29,419	8,816	8,822	30,606
BiH	4,161	3,917	9,364	6,010	6,635	12,340	6,765	6,779	15,304
Serbia	7,071	7,152	14,066	6,928	6,894	16,771	7,618	7,424	17,817
Macedonia	3,896	3,820	9,654	3,773	3,790	8,600	6,266	6,207	14,155
Total	33,168	33,356	80,509	36,279	37,121	89,185	38,386	38,172	101,147

Table: Number of Requests received and closed, and number of hours worked in each SUB, by financial year.

8.2.4 Ticket Structure

Let's take a look at the structure of USD work in terms of hours spent.

FY'22	Slovenia	Croatia	BiH	Serbia	Macedonia	Total	%
All hours	23,266	30,606	15,304	17,817	16,655	103,647	
PANTHEON	12,885	18,053	7,794	10,336	11,842	60,910	58.77
Guarantee	1,029	119	96	181	365	1,790	1.73
Internal	4,933	6,899	4,144	4,164	3,285	23,424	22.60
DCD	2,003	3,611	2,088	2,239	993	10,934	10.55
Sales	1,054	635	746	637	120	3,193	3.08
Education	2,091	736	323	295	21	3,466	3.34
Charged to	7,584	15,598	4,433	6,086	9,356	43,057	41.54

and, for comparison, the previous period:

	Slovenia	Croatia	BiH	Serbia	Macedonia	Total	%
All hours	22,055	29,419	12,340	16,771	8,600	89,184	
Guarantee	880	408	88	50	60	1,487	1.67
Internal	6,411	6,518	2,776	5,417	2,394	23,516	26.37
DCD	1,562	2,364	1,839	2,487	942	9,194	10.31
Sales	523	1,164	551	773	278	3,288	3.69
Education	2,091	736	323	295	21	3,466	3.89
Charged to	8,300	16,424	3,916	6,686	4,829	40,155	45.02

There was an 8% increase in billable hours and 3% lower in percentage terms in terms of realized hours. This is expected because we have 20 new consultants. There was a slight increase in hours spent on software defects (warranties). Hours spent on internal work decreased by 4%, which is in line with the targets set. DCD hours and EDU hours remained flat with the previous year. We expect an increase in billable hours after the end of the mentoring of new employees.

8.2.4.1 Average response times

Average response time	FY'20	FY'21	FY'22
Slovenia	11	1.67	1.40
Croatia	17	6.76	7.79
BiH	4	3.82	1.52
Serbia	5	4.51	19.52
Macedonia	5	4.33	5.55
Average	8.4	4.218	7.16

Partly due to its heavy involvement in localization, but also due to poor management of the USD, Serbia's response time has been significantly affected. Action was taken and the USD manager was replaced. Others subsidiaries are following the agreed objectives.

8.2.4.2 Services, revenue analysis

	FY'20	FY'21	FY'22
Slovenia	709,501	661,261	678,235
Croatia	535,881	681,989	679,360
BiH	138,705	174,289	251,355
Serbia	272,556	311,370	357,051
Macedonia	126,099	158,730	446,576
SUM	1,782,742	1,987,640	2,412,577

Table: Achievement of the plan only in terms of service revenue

As a group, 90% of the plan was achieved compared to 94% in FY'21. In terms of revenue, the growth is 21% higher compared to FY'21. We had a problem in Croatia, audits were being done on two problematic implementations where it was not possible to invoice the hours.

8.3 Market commentary by country

The data presented in the following sections are sales and market oriented and are for analytical purposes only and may differ from the data used in the consolidation financial reports of the subsidiaries.

8.3.1 Slovenia



Andrej Mertelj, Acting Managing Director of Datalab SI d.o.o.

In FY'22, we continued to build up our sales (+2) and support services (+2). We will continue to recruit as market needs increase.

In FY'22, we sold 772 on-premise SME licenses (index 1.47), 72 on-premise retail licenses (index 0.75), 145 cloud licenses (index 0.84) and 60 retail cloud licenses (previous year -50). The launch of the PANTHEON Web family (in particular PANTHEON Web Light, launched this year) has significantly increased our competitiveness compared to products such as MiniMax. The acquisition of new sites is not yet reflected in revenues as we offer a 3–6-month free usage period for most of these licenses. Granule sales are not yet generating full revenue as most implementations of these are in the same free trial period.

In addition, we anticipate (and have already observed) that the drive to reduce costs is forcing companies with outsourced accounting (as well as the accounting practices themselves) to share data and eliminate duplication of effort. Datalab is positioned in the market with its eAccounting solution and is ready to support companies to optimize their bookkeeping/accounting. We believe that in the next 3–5 years the market will grow rapidly and that Datalab will directly or indirectly handle over a quarter of all companies in Slovenia. To this end, we have created special

packages of standardized mass deployment of document systems for a fixed price, which, while impacting the service revenues of the implementation and support department, guarantees us increased transactional service revenues, which will grow significantly in the coming years.

Royalty income increased by 32% as we sold mainly more powerful and therefore more expensive software solutions for larger and manufacturing companies. Upgrade fee revenues increased by 1% as companies migrate to cloud solutions, and revenues from these increased by 5%.

In the first half of the year, a particular focus was placed on the tenders our customers received to digitize their business. As a result, our transactional income increased by 20%. We also continue to increase our service revenues, which are 10% higher than last year.

Due to the increasing work-from-home situation, we have reduced the office space required and rented out the second floor to external tenants, increasing it by 45%.

Financial income remained at the previous year's level, but we had to book to financial expenses an increase in employee profit-sharing shares which we have not yet distributed to employees. Operating profit thus remained at the previous year's level, while total profit decreased by 27% due to increased financial expenses.

8.3.2 Croatia



Mag. Danilo Tomšič, Managing Director of Datalab HR

In FY'22, we continued our mission as a successful Datalab subsidiary, focusing on growth and positioning ourselves as the leading software developer and implementer of business software in Croatia.

At the beginning of FY'22, we were still facing a pandemic, during which it was very difficult to meet with the customers, but we were still able to successfully provide remote support services.

Throughout the financial year, we invested in our own skills and those of our business partners.

This investment has paid off, as we have recorded a 16% increase in net sales compared to FY'21.

In FY'22, we had 17 partners, of which 4 have Premium Partner status, 3 have Partner status and the remaining 10 have Reseller status. In total, we achieved a turnover of EUR 507,000 from the sale of licenses, upgrades and other products.

For web hosting, we cooperate with Croatian Telekom, with whom we have a successful track record of jointly selling comprehensive ICT projects, including PANTHEON.

We continued to invest in our marketing activities, and we also strengthened our presence in various media, online portals and trade fairs, as well as publishing a monthly newsletter for our users and partners.

After a two-year standstill due to the pandemic, we held the PANTHEON Conference again in FY'22, which was attended by almost 400 satisfied customers. We also held a live Accountants' Meeting and several digital and print projects in the corporate and IT media and communities.

We are considered the best technology provider in the FMCG (Fast Moving Consumer Goods) industry in Croatia; for the second year in a row, we have received the "Golden Basket" award for the best technology supplier in the industry.

Our biggest implementation projects in FY'22 included the following companies and organizations: Unconditional, MIV, Lipapromet, Croatian Olympic Committee, EOS Matrix, etc.

It is important to underline that we have successfully met all challenges and doubled our net profit compared to the previous financial year.

8.3.3 Bosnia and Herzegovina



Nedim Pašić, Managing Director of Datalab BA

Datalab BA closed FY'22 with a net turnover of EUR 1,580,919 and a growth of 121% compared to FY'21. Net profit amounted to EUR 21,804, lower than the previous year due to an additional tax after deduction.

Marketing

In FY'22, our marketing activities focused mainly on promoting the benefits of cloud computing and our solutions for digitizing business. In FY'22, we successfully continued our "Go Digital" campaign. In addition to inbound marketing and digital communication channels, we put more emphasis on local business events and live meetings, which we organized in all major cities of Bosnia and Herzegovina together with local partners and our partner telecommunications company. Our target audience was potential customers from different industries and current PANTHEON users.

At the events, we presented the benefits of moving to cloud-based business and the advantages of PANTHEON eServices. During the financial year, we also organized several online events to promote PANTHEON features that drive digital transformation. We put satisfied customers at the center of our marketing campaigns and promoted success stories of PANTHEON cloud users and PANTHEON eServices users, whose number is growing rapidly. Together with our strategic partner BH Telecom, we have launched a new service on the market: PANTHEON Web Light.

At the end of the financial year, we organized the PANTHEON Conference, the largest business and educational event of the PANTHEON community. The conference, which was held under the slogan "Connected and Secure Digital Enterprises", introduced the new generation of PANTHEON 11. The aim of the conference was to present to the participants the advantages of using digital tools in everyday business and to facilitate the digitization of business processes through concrete examples from practice.

These activities generated 2,651 marketing-qualified leads for the sales department during the financial year. In the new financial year, we will continue to promote PANTHEON cloud business and PANTHEON Web Light solution in line with best practices in cooperation with local partners and our partner telecommunications company.

Direct sales

Due to global market disruptions and the digitization of a large number of users in our market, the past year has been full of business challenges. Thanks to the dynamic internal organization of the sales department and the quality synchronization of processes with the support department, we have managed to show why we are proud to be the leading provider of business information programs on the BiH market.

In the past year, we have increased our market share by an incredible 7.9%. We have also designed and developed a number of new solutions that have increased the competitiveness of our brand and led to the recognition of our quality among all companies in Bosnia and Herzegovina. A major challenge for us is the partner channel, which is over-saturated, and in the current year we plan to implement a strategy that will bring the efficiency of the partner channel to a much higher level.

We have strengthened the DIRSA department with new employees and, as in the previous year, we continue our positive practice of growing and expanding the number of our users to enable Datalab BA to take a leading position in the market. We focus on support services and taking care of all our users. Thanks to our management and department heads, we have proven that we are ready for any new business challenge and that we are able to respond appropriately to every challenge we face.

Partner Network

At the end of FY'22, we had 20 partners, of which 1 has Premium Partner status, 5 have Partner status and the remaining 14 have Reseller status.

There were no changes of status in the previous financial year and we did not carry out any certification process.

In the first quarter of FY'22, we were not able to achieve our target for local license sales. There were a few pending sales from FY'21, which we closed at the beginning of the second quarter of FY'22. The recovery of business trends in the first quarter also contributed to the higher realization in the second quarter. We were unlucky in the realization of PANTHEON cloud sales, with numbers below expectations, while eServices were at an early stage of business development. Overall, we did not achieve the expected results.

In the second quarter of FY'22, we exceeded our targets by a considerable margin, but we were not able to finalize some deals. Sales of PANTHEON Cloud were higher than planned, while eServices were at a very early stage. Overall, FY'22 realization in the second quarter was above expectations.

The results for the first half of FY'22 were also above expectations.

At the beginning of the third quarter, we finalized the open business from the second quarter and reached our target for the third quarter in the area of local licenses. Despite the new crisis, we slightly exceeded our planned and expected results. PANTHEON cloud sales realization was slightly above expectations, while eServices results were much better but still below expectations. Overall, results were in line with expectations. It seems that we did not plan the targets for the fourth quarter very well as results in all four categories were below expectations. The second half of FY'22 ended with lower than planned but still good results.

FY'22 overall results for local license sales were about 85% worse than planned. PANTHEON Cloud performed better than expected, while eServices performed slightly worse.

Overall, we can say that the results were in line with the planned targets (although to a lesser extent for on-premises licenses, but to a greater extent for PANTHEON in the cloud). Taking into account the realization of the upgrade contracts deferred for the next 12 months, we exceeded the planned targets for FY'22.

The whole FY'22 was without any major fluctuations in sales. We had a pretty good timetable and maintained business continuity, which shows good sales, business logic and also a lot of hard work. At the same time, this is a good basis for optimistic planning for FY'23 and FY'24, for the next five years and beyond.

Telecommunications, upgrades and digital transformation

FY'22 was a very successful year, despite economic difficulties. We recorded a high growth index in cloud sales and digital transformation results from cloud customers, similar to previous years. Businesses have become more rational and have experienced many of the benefits of cloud computing. The sales growth index in FY'22 was double that of PANTHEON's entire previous cloud sales period (07/17–06/21). The number of active cloud licenses increased by

226%, with the number of enterprises also increasing by 176%. The same growth trend was recorded in disk space, which grew by 223% compared to the previous year. We are closing the financial year with a low number of cancellations (less than 5%). Through various sales and marketing activities, we aim to maintain the positive trend in FY'23.

DIRSA's total sales of upgrade and cloud contracts amounted to EUR 499,800, or 95% of the planned sales, while growth reached 113% compared to last year. We aim to maintain this positive growth in FY'23.

In FY'22, we offered eServices for the second year in a row. We ended FY'22 with 176 companies using Backup, with a growth index of 212% compared to the previous year, and 32 companies using the DMS service, with a growth index of 320% compared to the previous year. Our aim is to maintain the positive trend in the current financial year and focus on eDMS sales growth.

At the end of FY'22, we expanded our offer with PANTHEON Web Light, a service from which we have high expectations and with which we aim to maintain the positive growth trend in revenues from users of our digital services.

Services

The number of users increased in each quarter of FY'22 and was 23% higher than in FY'21.

In the first quarter, the USD department realized 114% of its planned revenue. In the following three quarters, we managed to reach 99% of our revenue target. Revenue for FY'22 was also 16% higher than in FY'21. We peaked in the third quarter, which was expected as we had several large implementation projects at that time. The positive growth trend continued in the fourth quarter.

In FY'22, the USD department also started to work for the parent company. Revenue from these services was 2% higher than planned. In the fourth quarter, one employee (Head of USD) took maternity leave. No employee left the USD department.

All three types of services, i.e. implementation projects, maintenance agreement, and paid support, had a significant impact on revenues. There was also an increase in the number of eServices implementations, in particular DMS and Backup.

Training for PANTHEON

The main objective of the PANTHEON trainings in Bosnia and Herzegovina this year was to educate all users, partners and staff and to introduce them to best practices in PANTHEON.

The trainings were dedicated to legislative changes, so our aim was to organize each training in line with these changes and to train users to work independently. The training courses "Exporting the 1002 form in XML format with PANTHEON" and "Electronic KIF and KUF – practical examples with PANTHEON" were the most popular with users. In addition, we have organized trainings for topics that are always interesting and topical for users. The most popular training course was "Designing reports – the basics and advanced work", with more than 20 participants. For larger companies wishing to invest in the knowledge of their employees, we successfully carried out individual training courses for beginners (PANTHEON Training Package).

Looking back at the past year and the current situation, we can say that we have a good customer care system attending to all users. The interest in online training is on the rise again; users are investing more in knowledge. We have organized high quality training and, above all, we have had excellent communication in inviting people to participate. More than 100 people attended the training sessions, thus achieving the objectives of the training plan.

At the end of FY'22, our users can access almost 1000 video guides in the video gallery (usersite.datalab.eu). Users can follow the latest news and learn about PANTHEON. The "News & Tips" category contains 248 video tutorials, 68 videos of courses and events, and almost 700 other videos.

Training partners

In 2022, we started working with a new training partner, the Secondary School of Economics in Sarajevo.

The main objective of the cooperation agreement is to train future bookkeepers and accountants in the use of the PANTHEON ERP system during their learning process, so that they will be more competitive on the labor market after their training. The students will use PANTHEON in the field of financial accounting (manufacturing and trading companies). 60 PANTHEON training licenses have been activated for this purpose.

8.3.4 Serbia



Miodrag Ranisavljević, Managing Director of Datalab RS d.o.o.

Datalab SR generated just over 3 million euro in total revenue (EUR 3,011,976), an increase of 34% on the previous year (134.01% on the previous year). Sales of licenses and upgrade contracts increased compared to the previous year (151.02% for licenses and 116.97% for upgrade contracts compared to the previous year). Roaming services were also on the increase (134.23% compared to the previous year). Transaction services increased to 226.51% compared to the previous year. Services (USD division) recorded a growth of 124.54% compared to the previous year. We achieved growth in all key areas despite a number of challenges caused by the pandemic.

In FY'22, we published 25 blog posts, 10 guides and several webinars on our Datalab SR website, targeting potential customers from different industries. In cooperation with the PR agency Blink Blink, we published expert articles on various business portals. As sponsors and partners, we participated in some business events to attract new potential customers and contacts. These activities generated 2,614 marketing qualified contacts and 684 sales qualified contacts, an increase of 21% compared to last year.

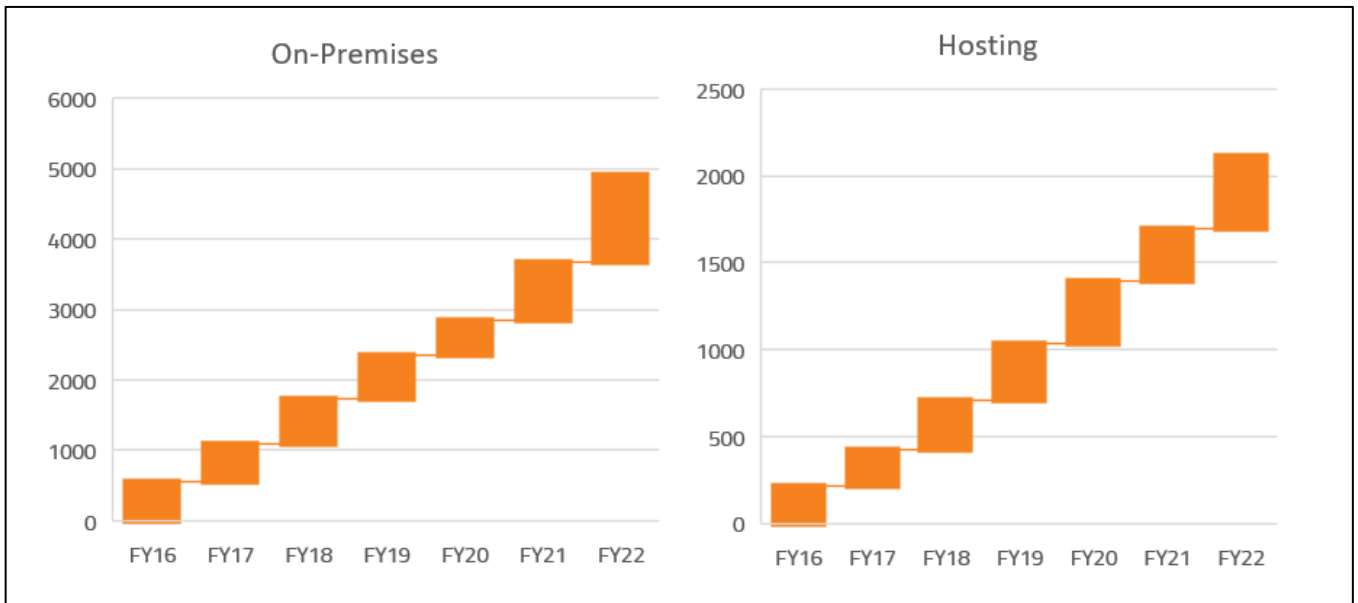
In FY'22, most of our marketing activities were focused on the promotion of eFiscalisation and eInvoicing, which have become statutory obligations. We also focused on the promotion for PANTHEON Web Light, which was designed in compliance with the legal regulations and market needs. Our media presence was very diverse, as we had publications in various media. We have published banners on various web portals and several articles in business magazines covering the fields of business, entrepreneurship and finance, such as *PC Press*, *eCapia*, *Internet Mirror* and others.

In terms of legislative changes, eFiscalisation and eAccounts were the key words in Serbia in FY'22. Both regulations entered into force on 1 May 2022, while elnvoices will be fully applicable on 1 January 2023.

We still sell more to new businesses than we do to existing customers. This shows the potential for further market penetration and market share gains.

License sales over the past financial years are shown in the table and charts below.

DL SR	FY'20	FY'21	FY'22
Cloud	359	304	416
% Previous Year	111%	85%	137%
Local without CS	506	815	1,252
% Previous Year	83%	161%	154%



We plan to bring in more partners and consultants to further improve our sales, support and implementation capabilities. This is to encourage existing and new customers to start realizing their digital transformation and further improve their remote working capabilities.

At Datalab SR, we have invested in new jobs to meet demand in the coming years. In the second half of FY'22, an incubator was set up in DIRSA and USD to attract and engage new potentially capable people and to help them develop into fully-fledged consultants in FY'23. The main areas of the incubator are eServices, PANTHEON Web and easier implementations of PANTHEON.

Datalab SR continues to monitor and evaluate its performance and quality of service on a daily basis to keep them at the highest possible level.

8.3.5 Montenegro*



Danko Obradović, Managing Director of Datalab MN

*contractually related company

In 2022, we continue to perform well in line with the changes introduced last year in the area of fiscal verification.

Many companies recognize us as a reliable partner with solutions to meet their needs.

Continuous strengthening of our team contributes to the quality of our service. The cooperation with Kraft NT Partner Company, d.o.o. has given us the additional and necessary possibility to offer our customers hardware as well, which has improved our offer.

The contract we have with Telekom to set up the hardware and software also speeds up and contributes to the final sale.

8.3.6 North Macedonia



Sasho Jovanovski, Managing Director of Datalab MK, d.o.o.

We started FY'22 with great optimism for the further development of Datalab MK. At that time, we set ourselves the target of reaching 1 million euro in revenue. The magic revenue milestone was reached on 12 May 2022.

In FY'22, Datalab Macedonia's focus was on:

1. Internal mentoring process that has significantly increased the capacity and efficiency of the USD team
2. We have pre-defined our approach to the market and our offer from product-based to solution-based.

In this way, we have created the prerequisites for the company to grow and achieve its planned objectives. The 2022 outturn against plan is 104%, compared with an index of 155% for the previous year. This increase in revenue compared with the previous year by department is:

1. USD: 233%
2. DIRSA: 186%
3. UC & HOST: 139%

In FY'22, we experienced a significant decline in indirect sales through partners. The realization index compared to the previous year is 27%, which is due to the integration of the largest partner company at the end of FY'21 into the Datalab MK structure.

From February 2022, Datalab MK has been operating in new offices, which are set up to all industry standards. This type of office space provides better conditions for the development of the team and the business results in the coming period.

At the end of FY'22, a new contract was signed with the cloud partner Makedonski Telekom. This contract sets the prerequisites for the sale of eServices, as well as for a higher quality platform, which is very important for our users.

8.3.7 Kosovo*



Armend Zeqiraj, Director Datalab LLC (Kosovo)

*associated company

The market for PANTHEON Web has been slow to take off as the economic recovery in Kosovo has been slow and therefore the smallest companies are struggling. However, sales of PANTHEON licenses have increased, as well as PANTHEON Cloud. We also increased our service revenue. The most important customers in FY'22 were from the manufacturing and real estate sectors.

Overall, revenues increased by 73% compared to last year and amounted to EUR 55,000. License sales increased by 90%, upgrade contracts by 43%, cloud services by 36% and USD services by 52%. Training has also started to bring in significant revenue. We are not yet selling transactional services in Kosovo.

After Covid, we managed to keep a reduced team of 2 support providers and more beginners in sales. We do the larger sales ourselves and work with partners on smaller customers. We will grow our team further in the coming year. The sales focus will be on accounting services as PANTHEON 11 brings significant competitive advantages through digitization.

8.4 FY'22 in Development



8.4.1 Hermes – Orders, Goods, VAT, Customs and Service modules



Leonida Kraševac, Product Manager for HERMES

In FY'22, we implemented over 400 improvements to the HERMES module. Some of these were "small" improvements and some were very extensive.

Registers

A setting has been added in the Subjects register to display cost centers in relation to a department. This setting allows the user to display cost centers that are exclusively linked to a specific department. Additional columns or fields have been added to the file used to import the items into PANTHEON.

On a subject defined as a buyer, users can choose which person should be used to comply with the terms and conditions of sale, whether it should be a 1st person or a 3rd person.

A field for entering VAT has been added to the list of contract price lists in the Items and Subjects registers.

Documents

A field for entering the VAT date has been added to the advance invoice document. A price recalculation wizard has been added to the customs warehouse issue documents. A search for cost centers by name has also been added to the goods document lines.

Stock

A control has been added to the Subjects register, where you can indicate whether or not stock is tracked on a warehouse, to prevent the warehouse from being deactivated if there is stock on the warehouse at the time.

Reports

A new report has been added to the control reports for summary documents, which returns entries in case of discrepancies on the pricing on the interlinked internal and summary document.

Orders

On Orders, specifically on hard allocations, some improvements were made for better user experience. A new field (dispatch date) has been added to the header of the sales order documents. The user experience has also been improved for the automatic ordering to suppliers from sales orders. A new criterion has been added here for creating orders to suppliers from sales orders, namely that only identical items without stock are taken into account for the order. It has been made possible to link to calendars on the purchase orders. For this purpose, new fields have been added to sales order lines and a setting has been added to link the order document types to the calendars.

Other

Considerable time has been spent on changing the data security into the so-called RLS (Row Level Security) protection.

The option to bulk print orders has been added to the RE license. PANTHEON has been linked to the Shopamine online shop. The link was made for B2C and B2B segment.

A number of improvements have been made to the recurring invoicing system to make it easier for the user to work and to have more control over the functionality.

There were no adjustments made to the customer's open balance check. The same applies to the wizard for filling lines per document.

Some additions have also been made to the mass printing of documents

Localization Slovenia

Significant improvements have been made to eSlog2.0. Changes have been made to the reporting of packaging waste.

In the area of VAT, legislative changes have been adopted to address the specificities of distance selling in the case of Greece. Two tax forms have been created, namely the TBE form – report on services, and the PD form – distance sales. An EU OSS register has been made.

As of 1 January 2022, new rules for the calculation of Intrastat have entered into force. The VAT identification number of the partner in the Member State of acquisition of the goods within the EU has been added to the Intrastat report. Changes related to distance sales have also been made to adopt to the legal requirements regarding end-customers.

Localization Croatia

Legal changes related to VAT accounting have been made. Some improvements or changes have been made for the Croatian e-invoice (MER). The dual display of prices on invoices has been supported and came into force on 5 September 2022. In connection with the transition to euro on 1 January 2023, a transition wizard has been prepared for the part where the transition relates to stock, customs and other duties, and the calculation of the cash discount.

Localization Bosnia and Herzegovina

More than 15 changes have been made in relation to VAT accounting and the creation of tax ledgers, both invoiced issued and invoices received. Support for the NEOSOFT FP700X fiscal printer has been made. Reports for electrical and electronic equipment have been created.

Localization Serbia

Fiscal verification of invoices has been implemented and entered into force on 30 April 2022. E-invoices have also been put in production. Minor changes have been made to the tax accounts.

Localization Macedonia

Legislative changes have been adopted to related to the VAT accounting.

Localization Montenegro

More than 30 improvements have been made to improve the user experience of fiscal verification of invoices.

Localization Bulgaria

A setting has been added to the tax rate register to correctly classify the write-off of goods in the tax records.

Localization Kosovo

Improvements have been made to documents and reports, and a field has been added to search for records by fiscal document number.

8.4.2 Demeter module – Financial management

Maja Jamšek, Product Manager for DEMETER

In FY'22, we realized over 200 remarks on Demeter.

A large part of our work has been devoted to developing and testing the RLS functionality.

We have kept up with the need for legal changes in different locations, with the most changes occurring during the annual reporting period. At the end of FY'22, we have prepared the features for the transition to euro for the most important areas in Cash: general ledger, subsidiary accounts, fixed assets, offsets, payment transactions.

In 2022, we continued to make improvements to the ePosting system, which was overhauled in FY'21. We enhanced the functionality to allow the selection of the library to be used for the recognition of information on the document. We have developed workflows which, based on the selected library at the supplier, ensure the correct transmission to OCR recognition and, when importing data, ensure the selection of the appropriate exchange register and thus the correct transfer to PANTHEON.

We have continued to develop reporting in XBRL format. We have made it possible to export multi-column financial reports and to upgrade the existing reporting.

Improvements are being made in the area of payments. The existing Halcom integration has been complemented with Auth2 identification, thus allowing maximum security in data transmission. We have added some new import formats for different localizations, and for the Macedonian localization we have developed an automatic transfer of statements to PANTHEON.

We have added the possibility to print out record-only journal entries in the posting journal. Record-only journal entries are selected in a separate tab and can thus be printed out independently of other data or can be included in the reports if desired.

On Fixed Assets or Stools, we have made it possible to link cost accounts to fixed assets. More controls have been added, especially as regards managing the register by cost center from the Movement tab.

New columns and filters have been added to the forms for automatic posting. A control has also been added to allow the review of unconfirmed documents directly on the automatic posting form. This feature facilitates the control of documents for companies that have selected the posting of unconfirmed documents.

The module for Credits and Leases has been updated, and changes have been made to the posting and the preparation of payment orders. Several improvements have been added to the consolidation module to allow the user to perform additional controls and to provide a more monitored process for the collection of data for related companies.

In addition to the above, we have completed a number of minor remarks to make the software simpler and more user-friendly. In FY'23, we plan to work mainly on e-services, with an emphasis on payments and document OCR.

8.4.3 Hera module – HR, Payroll, Travel orders



Tina BERDEN, Product Manager for HERA

In FY'22, 211 improvements were made to the HR module (Hera).

Major improvements were also made in the area of calendars and employee working time planning. We unified the calendars of the Hera and Hefaist modules, added a hierarchy of calendars – planning at the level of the company, department and employee, thus enabling multi-level, more efficient time planning. To meet the needs of dynamic changes in employee absence and attendance, we have provided transparency and speeded of scheduling with a micro scheduling solution. The micro scheduling form does not only serve for a quick overview of employee schedules and absences, but also enables ad hoc adding of new events, changing of working hours, exporting to Excel tables. To make it easier to view absences, we have added a tabular overview of absences. In the case of scheduled time, we have added the possibility to record shifts.

In addition to the above, the following major improvements have been implemented:

Employee Files:

When viewing absences, settings can be used to change whether the calendar event hints are displayed. We have added a date of employment as a criterion to the leave calculation, which allows the user to start leave only for employees from the selected date. In the calculation of leave, we have added a checkbox for the use of leave in days, which, although the leave in hours is entered, shows the leave as a working day accordingly. In employee evaluation, the possibility to keep evaluation sets by period has been added, allowing the user to keep history. We also added a wizard to change active/overdue credits.

Salaries

A new summary posting option has been added. We have added a new variable: time worked in servicing, the possibility to refer to the current period for the program parameter variables and the individual worker. The variable per diem is not linked to a period but to the job the employee is doing at the time. We made some changes to the distribution key wizard: a possibility to delete a split in payroll preparation and saving the new key in the wizard.

Given that HR data is the most localization-specific, the improvements or legislative innovations are presented below separately by localization:

Localization Slovenia:

- eNDM – electronic submission of absence claims,
- New reasons for absence: Co-housing,
- Changes to the transfer of absences from eBOL to the calendar,
- Changes to the minimum salary subsidy, wizard, checkbox,
- iREK changes – A002 filled in for non-residents
- REK 1b – new types of income
- Pay slip with key information: new pay slips,
- ZAP/M factor – changed,
- Payroll controls – minimum bases,
- Change in the posting of the subsidized part of the salary,
- Update of the ZSVarPRE,
- Average income tax rate for other payments,
- ZAP RSD, ZAP SDC calculations, XML export,
- Declaration for the payment of aid to finance the annual leave allowance,
- Changes to the minimum salary,
- Kilometers above/below threshold,
- Reducing the period for paying out salary compensations paid by employer – changes to the rules, controls,
- Change in the valuation index recalculation, application,
- Amendment to the ZZVZZ-S lower limit for the payment of salary compensations,
- Summary posting without Contra-Account detail,
- Annual leave allowance – control of several payments in a year (reliefs).

Localization Croatia:

- Transition to euro – wizard, double indication pay slip, travel orders,
- Amendments and additions to the JOPPD,
- Leave use report,
- Wizard for HZZO reimbursement,
- Checking the transfer from the calendar for employees sent to work abroad,
- Change in DD conversion between part-time and full employment,
- New part-time/full time employment added,
- Change to the creation of foreign currency liquidity – travel order,
- IP1 for several periods,
- Formula Builder – Variables for individual reliefs,
- ER1 reporting of phases L and M,
- Changes in the gross to net conversion in the calculation preparation,
- Signatory of the JOPPD report from the Employee Files or the Subjects register,
- Amendment to 3WW Employees' records,
- Amendment of form M,
- Combined payroll for HR loc.

Localization Bosnia and Herzegovina:

- Redesigning form 1002 – reports, XML.
- Change in the 1002 department hierarchy,
- Prescribed RS payroll,

- Combined pay slip for BA loc,
- BD MIP 1023,
- GIP summary report – changes,
- EPP export.

Localization Macedonia:

- Average salaries on the Web Services,
- XML export added to MPIN.

Localization Serbia:

- Reliefs for newly employed,
- Change in the conversion of daily allowances for travel abroad,
- PPPD authorization by document type.

8.4.4 Hefaist module – Manufacturing



Jasna Rihter, Product Manager for HEFAIST

In FY'22, the HEFAIST-module was focused on the future of Industry 4.0 and on extending the features of the Manufacturing module.

Automation – linking to machines

We have taken the Manufacturing module to a new level with our own innovative PANTHEON to Machine solution. PANTHEON Manufacturing connects to and controls the operation of the production line without an intermediate MES system. The solution was developed in cooperation with the Development Centre Novo mesto, where the developed solution is also running.

Daily planning

We have extended production planning with the option of daily planning.

The daily planning tool in PANTHEON allows you to easily and efficiently schedule work tasks by day and shift, depending on your needs.

Employees can then easily pick up and complete the assigned tasks using the internet connection and a tablet.

PANTHEON Web MT Manufacturing

We have also connected PANTHEON Manufacturing to the web by adding MT license Manufacturing feature to PAW.

The user interface is primarily designed for working with a tablet.

We have designed it to be very easy to use, which is helped by the various progress bars.

It is also possible to work with a suitable glove, as the solution is based on a card format.

Closing the production period

To increase transparency and facilitate the allocation of production capacity, we have added the option to close a production period in the Manufacturing module in the work orders section.

It works very similar to the accounting period closure except that here, all pending work orders are closed and then new work orders for the open amount are created.

Traceability is ensured as both the finished and the new unfinished work orders are linked to each other.

This makes it easier to manage the open quantity to ensure that all the resources needed to produce the product on time are available. At the same time, it ensures a constant cost price for the product.

In FY'23, we will focus on the development of features such as:

- Updates to the online PANTHEON Web MT solution
- Updates to the Daily Planning
- Additions to the BOM (alternates, preparatory quantities)
- Developing a manufacturing defect management system
- Investment and servicing of resources (machinery)

PANTHEON module Web services

In FY'22, we developed the PANTHEON Web Services solution to connect various dispersed systems inside and outside the company.

With the help of predefined API methods, we can prepare the desired data of registers such as Items, Subjects etc. or transactional data of work orders, purchase orders, invoices, etc.

The documentation for the APIs was created in the Swagger environment, where all the necessary documentation is located. The environment also provides the possibility to test the prepared API queries.

We have pre-designed the APIs to ensure wide usage and customization options to meet the customer's needs.

In FY'23, we will focus on optimizing and upgrading API methods according to market needs.

8.4.5 The System Module



Andrej Marinič, Product Manager and Chief Programmer for System

In FY'22, we had several major projects.

We have developed a new product PANTHEON Web Services (PAWS) in cooperation with Hefaist. The new product allows connecting to PANTHEON databases with a web service and thus offers an additional measure of protection for external connections. We continued to develop PANTHEON Automation Server (PAAS) and the connectivity to PAW or other web services. We have added Smart management to manage more installations of PANTHEON, enabled fiscal verification, the ability to sign reports, manage forms by pre-loading templates and running ARES procedures.

We have added the ability to sign all reports by defining a signature area, automatically saving signed documents in the documentation and creating eDocuments from the report.

We have updated the DMS document system with the ability to display local files also for older documents, where links to documents are on local disks. We have enabled drag-and-drop on all forms to easily add documents. We have also made it possible to export collected documents to disk.

We have been working on the database to optimize both the size of the database and the speed of operation. We have scaled down and normalized the system tables, which are mainly needed for upgrading the program, and removed some of them or used them only on the meta database for upgrading at upgrade time. Optimizations were made in several parts of the program. For the whole program, we have made currency conversion optimizations without the need to search for a currency exchange rate on a specific date, but allowing a direct reading of the exchange rate for each date.

We removed key formatting functions on document tables and put data in persisted columns with instant key recalculations when adding a new document. Throughout the program, we have removed functions that read key formatting information from the database for each row and the calculations themselves. In addition to speed, this means a significant simplification in the development of the program code.

For configurable date limits and recalculation methods, we have developed dynamically generated functions that adapt to the user's data and thus allow data to be recalculated without interfering with the database.

In parallel with the optimizations, we have been developing Row Level Security (RLS). We have also provided in-house training and presented the architecture and operation of RLS to the entire development team.

We have created Help instructions for each authorization branch for the authorizations of the software. The user can now more quickly find out what is affected by a particular authorization in the software.

During the RLS development, we also found an anomaly in some of the user authorization tables in the user databases and corrected them with upgrades. We have removed redundant records to increase the speed and reduce the size of the databases. We have also improved the copying of authorizations to other user databases.

In the ARES environment, we added new registrations, especially on the Internet access support, and registered all PANTHEON libraries for database work, Windows environment, text processing, component work and all other library functionalities.

We upgraded workflows with a TMS script and syntax checker, adding forms, developed a new IDE with all the programming features. This made the programmers' work faster and easier and also started the first steps towards merging the ARES kernel and the workflow kernel.

We have also added some new blocks. It is now possible to check electronic signatures in files, add texts for translation and receive emails in DMS.

The To-Do form has been completely revised, with content improvements, appearance and clarity improvements. We have added a column to review the amount and the related document and enabled multiple tasks to be validated at the same time.

We have extended the chat log on individual tasks to show all messages, both open and closed.

For the programmers, we worked on the internal StrUpdate tools and added more features to make it easier to work with and to work with the RLS, alerting the programmer to requested changes to the RLS code, history, etc. We have further documented certain parts.

Cooperation with other departments was mainly in the area of business process development, working with the Demeter department on the development of document recognition and splitting scanned documents, bank statement posting and imports.

We worked with the following departments:

- With Hermes, to develop links to web shops;

- With Hefaist, we have developed the PAWS web service;
- and we worked with all departments to develop a wizard for the Croatian transition to euro.

8.4.6 Zeus module



Gašper Petelin, Product Manager for ZEUS

In FY'22, we have made innovations in analytics in all areas, most notably in planning, data collection and dashboards. For example, we have improved the transparency of financial planning by including line colouring when changes are made to the plan. The user sees the line where the figure has changed compared to the referential financial report in red, so that the change is visible throughout the plan view. In addition, we have enabled users to plan sales and purchases by additional parameters by adding planning by responsible persons and subject codes, and we have also enabled analysis by item name. This functionality is particularly useful for those users who code items with numeric codes.

In the area of data collection, we have integrated the data preparation and OLAP cube processing functionalities into the PANTHEON Automation Server. This way, the user no longer has to create parameter shortcuts and run them via Windows tasks, but can leave these two tasks to the automation server.

In the area of dashboards, we have enabled users to add Ad-Hoc and OLAP analyses as a building block to dashboards to take advantage of both systems: they can use the drill-through features of the analyses on dashboards, as well as the automatic opening of Ad-Hoc and OLAP analyses at program start-up, which is made possible by the dashboard system. In addition, we have also added an important new feature to the tabular widgets of the dashboards, allowing users to set numeric columns to automatically calculate the sum of the values in the widget's footer, which improves the visibility of the individual widgets.

The biggest innovation of OLAP analyses, besides data collection, is that we have also included a classifications hierarchy in the analyses, which means that a user with hierarchical classifications can perform analyses at multiple levels of the hierarchy. In addition, we have included a new dimension of cost centers in the purchasing analysis and two new measures in the sales and purchasing analysis, namely the stock and the value of inventory after the purchase and sale of goods respectively.

The ZEUS reports have received only one major improvement this financial year, namely the editing of the report format. This allows the user to easily reposition individual elements, add pages and additional text such as the title of the report. There were no other changes in the area of ZEUS reports, apart from minor corrections in the export of reports.

As always, we have also been vigilant about user-reported bugs and have kept their fixing up-to-date. For example, there have been a number of corrections in the conversion of data into different currencies, which was further tested when the introduction of the EUR currency in Croatia was announced. In addition, some corrections were also made in the pre-preparation of data on the dashboards, which occurred in foreign localizations due to the use of non-standard characters in the chart of accounts. As in all previous years, we will continue to strive to improve the performance of ZEUS through user experience.

8.4.7 Retail: Hermes POS, RT/RE, RA/RC, RF



Mateja Korelc Qureshi, Assistant Product Manager for Retail Products

In FY'22, we spent a lot of time on the introduction of new POS terminals and on better communication between POS terminals and the software itself.

We have also spent a lot of time improving the data transfer or synchronization between the central database and the cash registers. Easier transfer of users from the headquarters to the cash desk has been added, synchronization has been made faster for larger databases and a synchronization log has been added to help diagnose synchronization problems.

For the **Slovenian localization**, we have added the option of fiscal verification in a foreign name.

For the **Croatian localization**, we have prepared everything necessary for the transition to EUR. This includes the possibility to pay invoices in two currencies, convert the value and make refunds in two currencies.

For the Croatian localization, we have also added two new POS terminals, Payten ERSTE and Mercury PBZ.

For the **Serbian localization**, we supported the operation of the new web-based fiscalization, which came into force and replaced fiscal printers.

For the **Bosnian localization**, new templates for Neosoft and Mikroelektronika fiscal printers have been added.

In addition to these, we have made the following improvements:

- New wizard added to change the status of documents on non-fiscalized documents
- Two new options for POS display added: rebate on value and price with rebate
- Cost Center and Department per form Touchscreen added
- A line value discount is added to the document line
- In the item search, added the option to select warehouses to display stock

8.4.8 PANTHEON Web (PAW)



Mateja Cejan, Executive Director for Development

In FY'22, we continued to develop our online PANTHEON solutions by expanding the content and adding new features. The following major enhancements were added:

Appointment calendar

The Appointment Calendar has been added to the Sales Orders section to help all businesses that have to deal with customer orders for various services such as: hairdressing and beauty salons, medical and dental practices, car repair shops and fitness centers, and many other activities.

It makes it easy to enter and update orders on the calendar itself or on the order form. Orders can be entered for one or more days at a time, e.g. for Rent-a-car services.

It offers a clear and transparent daily calendar, weekly calendar and monthly calendar with the possibility to view orders by staff or by occupancy of individual working assets. It is possible to specify the colors of each order, contractor, working assets and to quickly enter a customer with the possibility of entering a note.

The calendar itself also takes into account the staff member's scheduled working hours and absences.

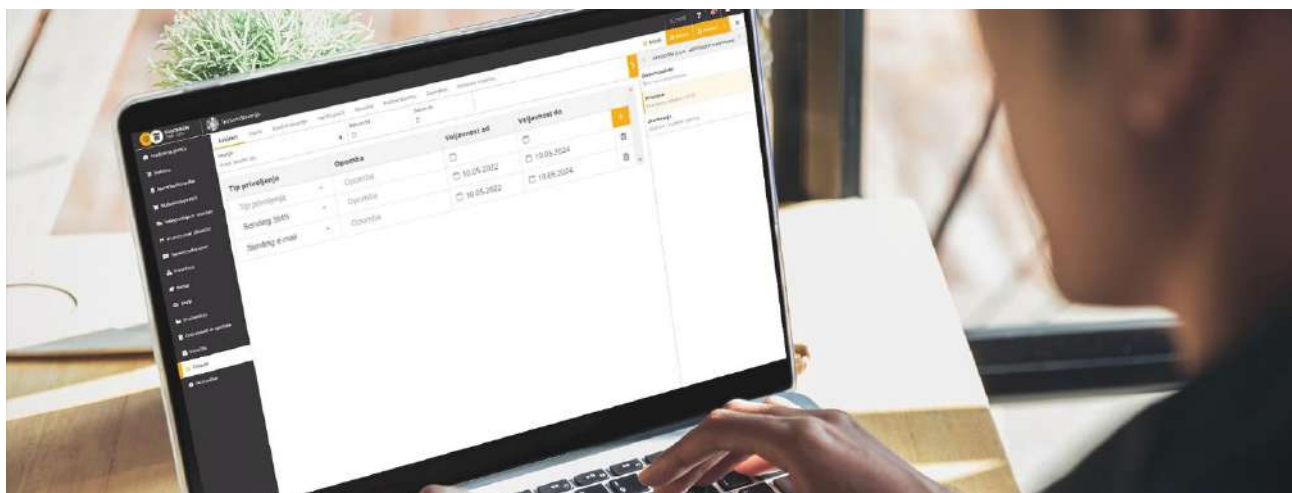
The wizard makes it easy to create or transfer an order to the cash desk from the order without having to re-enter it manually.



Consents

The Consents tab has been added to the Subjects registers where, in accordance with the GDPR, the customer's consent to receive various notifications such as SMS, emails, etc. can be entered.

It is also possible to add a custom report of the consent with a signature component, which the customer just signs via a tablet or smartphone. The report is opened via PAAS.



Signature component

As too much paper and time is still wasted in running a business, a solution has been developed to make it easy to sign documents on your tablet or phone.

Signature is freely configurable and enabled on all types of documents such as packing slips, travel orders and other documents that have a signature component added to the user reports in PANTHEON.

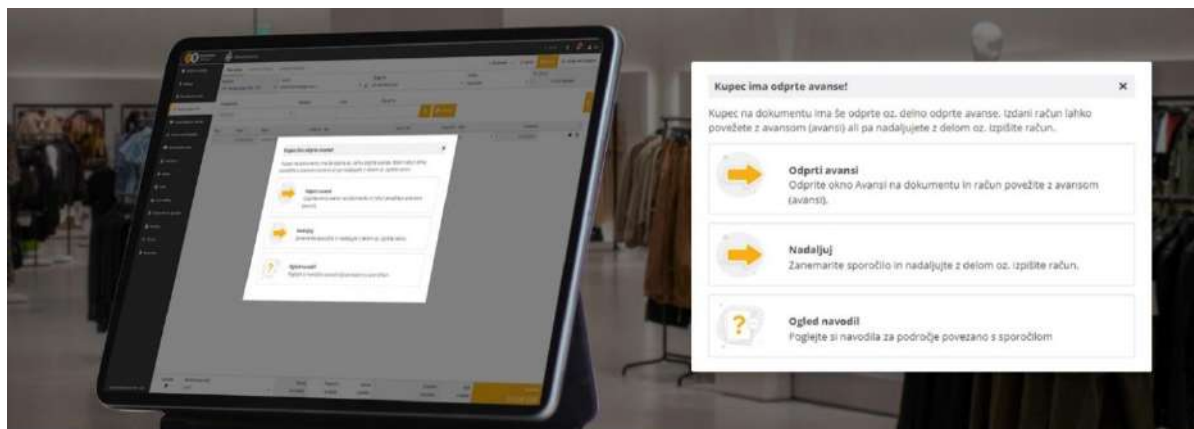
On every document where a signature component is added, when opening the report, the signing window opens first, so the signer can simply sign.

The signature is recorded on the report and saved in the Document System.



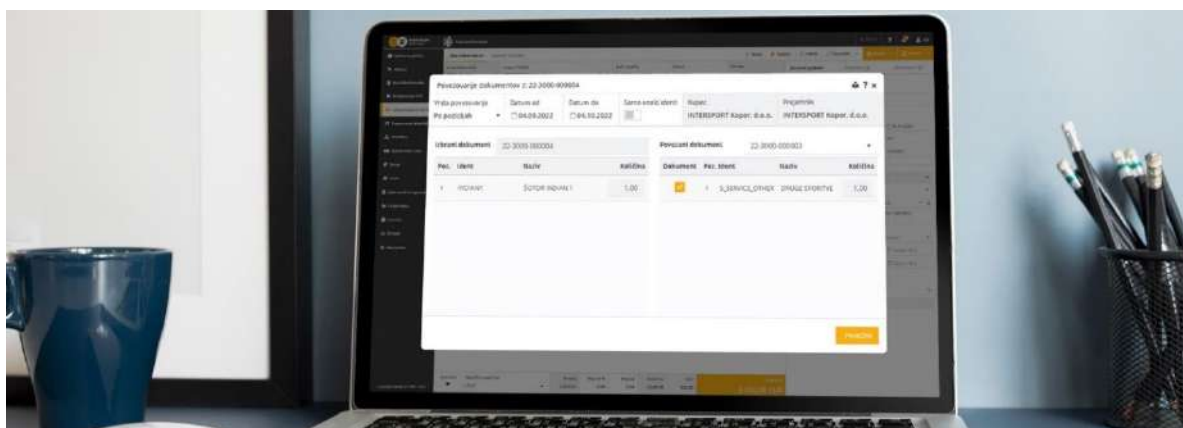
Paying a POS invoice payment in advance via the cash desk

At the retail point of sale (POS), it has been made possible to pay invoices as prepayments.



Integration in purchasing and wholesale

In Purchasing and Wholesale, the option Link documents has been added to the wizard to link different documents.



Fiscalization for RS localization

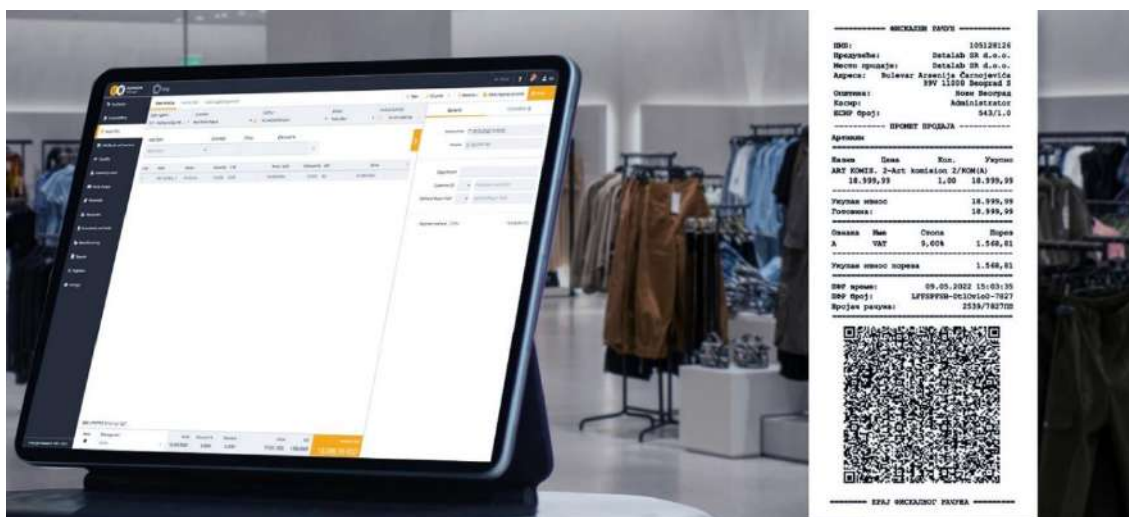
As of 1 May 2022, the Republic of Serbia switched from fiscal printers to the new electronic fiscalization.

For this purpose, PANTHEON Web Light has been adapted to eFiscalisation via VPFR and LPFR for 2D Soft. Fiscalization has been enabled on the following modules: POS, Wholesale, Offers and Received advance payments.

Invoices are available on A4, 80mm and 58mm paper.

The POS module also enables automatic fiscalization of negative invoices.

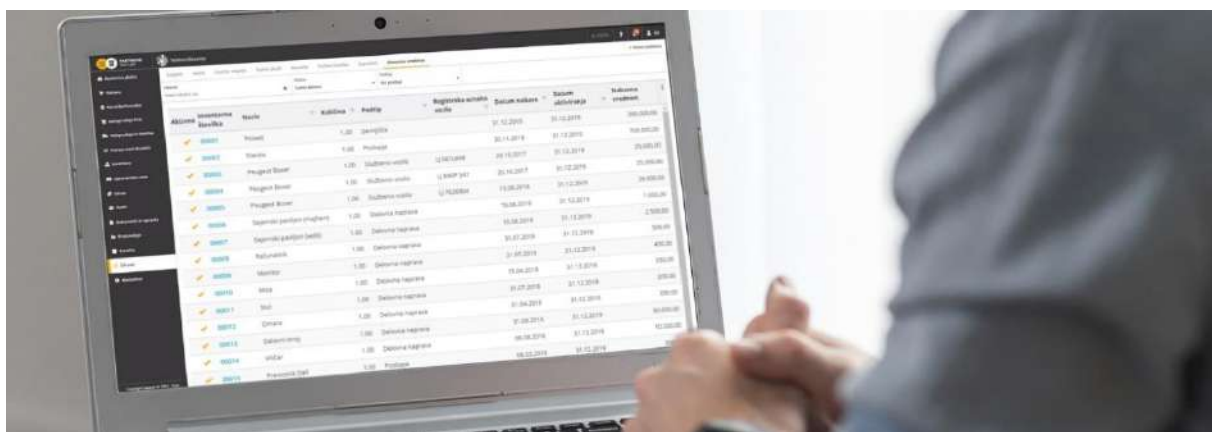
The option to reverse an offer or preliminary invoice has been added to the preliminary invoices themselves.



Fixed Assets register

The Fixed Assets register has been added, with a link to the Vehicle register on travel orders.

All fixed assets can be entered in the register, such as work equipment, service and auxiliary vehicles, land, buildings, etc.

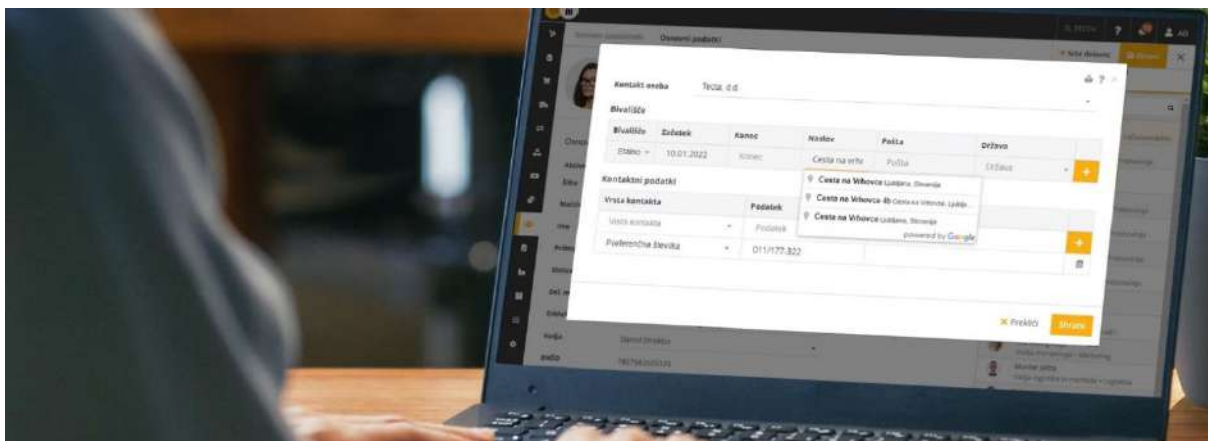


Entering an address via Google maps

In the Subjects register and in the Employee Files, it is possible to enter an address via Google maps.

If an API key for Google maps is entered in the PANTHEON Web Light settings, a set of addresses from Google will be automatically displayed when entering the address of an employee or subject.

This way, you no longer have to manually enter the entire address, but simply select it from a set of addresses.



Sending invoices to the Document System

In Wholesales, the option to print multiple reports at the same time and send them to the document system has been added.

In Purchasing, it has been made possible to add documents to the DMS.



8.4.9 PANTHEON Vet



Klavdija Kopač Zagožen, Head of Veterinary Solutions Development

In FY'22, 175 remarks were realized on the Veterinary module. Of these, 154 for the desktop version and 21 for the mobile app.

Many small changes have been made to the mobile version to make it easier for vets. In addition to the minor changes, we also added the option to charge for on-call time, to take insurance into account if it is already entered in the desktop version of the software and to link the contract price list to the classification.

In the PANTHEON Vet desktop mode, we have enabled integration with VetScan (Zoetis instruments). This means that we create an order in the software, send it to the VetScan device and when the analysis is done we get the result of the analysis back into the software.

We have also spent a lot of time adapting the program for Shelters. For shelters, we have enabled the entering of animal arrivals and departures. We have enabled the automatic billing of the daily care fee to the municipalities where the animal was found, and we prepared a report for the admission of animals to the shelter.

One of the major changes we made during this period was the adaptation of the Reception menu to the new concept: now, the reception calendar shows when a vet is available or absent (holidays, sick leave) and can distinguish tasks by color.

We have also made it possible to enter a cost center for a hearing, and we have created a report where you can see the items that have been issued to each cost center.

We have added the option to enter any fields in the administration panel and the option to set mandatory fields on Owners and Animals.

In addition to these major changes, a number of smaller features have been added to the desktop version to make the vets' work easier and faster.

Localization Bosnia and Herzegovina

- We have added a tab under Lab examination, where veterinarians can indicate the type of examination that will be carried out on the animal.
- Added animal breeds to the web service.

In the coming financial year, we want to bring the mobile app as close as possible to the functionalities of the desktop version and, of course, develop features that will support and help veterinarians in their work. It is our great desire to start the development of PANTHEON Vet also for the localizations of South-Eastern Europe.

8.4.10 PANTHEON auto-testing



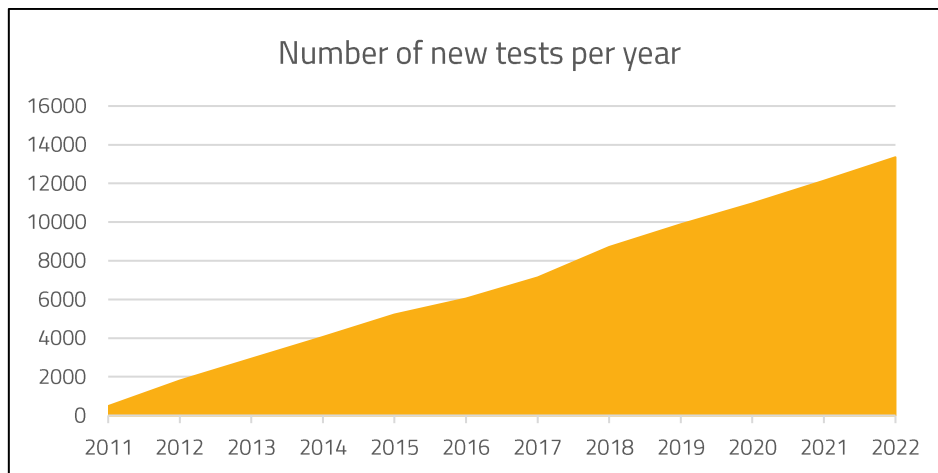
Marko Vudler, Head of Product Quality Assurance Operations

Main focus areas for DevOps in FY'22:

- Optimizing the auto-testing (self-testing) system
- Software and hardware update to meet the increased needs of the auto-testing system
- Additional monitoring of executive computers
- Recording auto-testing videos

Optimizing the auto-testing system

In FY'22, we have acquired a further 1,200 tests, bringing the total to more than **13,300 automated tests**. We have increased the number of running virtual machines to 150. Due to a lack of system resources and consequently poorer auto-test results, we had to reduce this number to 100. This reduced the number of tests executed overnight, but on the other hand we gained in stability and performance of the auto-tests executed. Once the server infrastructure has been upgraded, we will be able to increase the number of executing computers again.



Software and hardware update to meet the increased needs of the auto-testing system

As a result of the increase in auto-tests, the load on the base servers has been too high and an upgrade of the servers is currently being implemented. Also, the operating system and other applications/components required for auto-testing are gradually being updated on the executing virtual machines. In addition, load-balancing has been improved to run the tests according to the available resources.

The transition to the new version of the auto-testing software "TestComplete", version 15, is underway.

Additional monitoring of executive computers

Monitoring has been further improved by checking processor load and free disk space on the base servers. Data is stored at intervals and deleted after 14 days.

PANTHEON installation file update

We have updated the PANTHEON installation file, which now includes the installation of the latest Microsoft SQL Server 2019.

Tests on new demo bases

The DCD department has started creating new demo databases. DevOps has set up a new PAW server to host the PAW applications for testing. The entire autoing-test system was also added to allow multiple testers to work on a single demo base at the same time. Testing on the new demo bases is supported for the EU, SL, BA, HR, RS, CG and MK localisations.

New server for the maintenance of demo databases (Sigil server)

The Sigil server is used to maintain new demo databases and to prepare user manuals. The latest released versions of PANTHEON and PAW are always published on it.

Moving the GIT server

We have abandoned the cloud-based BitBucket GIT system and arranged for a migration to our own GIT server (GitLab). The whole PAW and POS SYNC codes are now hosted on the Datalab server.

Recording auto-testing videos

We have started recording videos from the auto-testing system. We have developed "Proof-of-Concept" solutions for recording, subtitling, pronunciation (Text-to-Speech), subtitle translation, etc.

The recording will be completed with all functionalities in FY'23.

BitBar software implementation

BitBar software is currently being tested to test its performance on browsers and mobile devices. Testing is done in the cloud, but on physical devices without emulators, which gives the most realistic results.

8.4.11 Build and translation system

The translation system has not undergone any specific changes in terms of technology and working procedures during this financial year. We continue to use the Soluling localization system, with localization for PANTHEON and PANTHEON Web Light taking place via the Vulture2 server, so that the final product – the .exe is localized, and for PA WL, special translation files are generated.

We have started using DeepL on a trial basis to translate documentation into English, which speeds things up a bit, but cannot substitute translators and human judgement on the appropriate translation in a particular context.

8.4.12 Internal Operations and IT



Kristijan Bratuša, Executive Director of Operations (CIO/COO)

In FY'22, we have upgraded our company processes and developed new features that raise the level of user experience in the Datalab Group for both our employees and our customers.

We have improved and upgraded some processes to meet development needs. We have introduced MBO (Management by Objectives) to improve the organization's performance and to clearly define objectives that management and employees agree on, in order to keep track of the work done and speed up response times. The aim of introducing the criteria is to improve goal-setting and encourage cooperation between employees and alignment of goals across the organization.

We started using Microsoft Defender, which provides a comprehensive security solution to protect our business. It provides secure access to devices through automation, with built-in intelligence to quickly protect against, detect and respond to threats.

To improve information security, we have started the process of obtaining the ISO 27001 standard and are currently in the final stages of a situation assessment, which required a review of security risks and the management of information security processes.

We have enabled our customers, partners and supporters to securely exchange bank statements between the bank and PANTHEON with Halcom in the Financials module. The connection requires certificates to verify the identity of the user. The connection from the client to the server and from the server to the bank is validated with different certificates.

We have harmonized the billing system for licenses and online services for other countries, so that we no longer have to manually invoice customers and check lists with server hosts.

8.5 Marketing and public communication



Maja Fujan, Vice President Marketing

8.5.1 FY'22 Marketing strategy

For several years in a row, Datalab has been actively implementing a multi-level approach and omni-channel marketing with targeted marketing communication activities, underpinned by the "Flywheel" theory, according to which the whole company breathes with the goal of customer satisfaction at all levels. In the past year, we have also set ourselves the goal of bringing solutions to companies of all sizes and industries through focused and tailored communication.

All activities are carried out with the aim of establishing communication with existing and potential customers, and ensuring that information is as clear, accurate, informative and published in the right place at the right time as possible. This is the only way to make companies realize that to run a successful business they need powerful software that gives them control over their data and takes their business to the next level, which is also reflected in the company's slogan "Turning Data into Profit". Marketing activities are carried out with the aim of strengthening its position in the entire Adriatic region and helping Datalab to be recognized as a leading and trusted provider of business software among all its target groups.

Through a structured content plan, we create tailored campaigns, ensuring that key people get the right messages at the right time in the right way, and that the tools we use to implement our activities allow us to measure the right metrics.

From generating new leads to looking after existing customers

The key marketing objective is to attract potential customers and to maintain their satisfaction even after they become our customers. We work together across different departments: marketing, support, academy, development and sales.

In marketing:

- We make sure that the right people get the right messages at the right time.
- We generate contacts from new potential customers and decision makers.
- We are committed to looking after our existing customers.
- We are constantly expanding our brand identity.
- We organize events and training.
- We strengthen links within the PANTHEON community.
- We introduce new products to the market.
- We Build and improve our digital presence.

Marketing communication is carried out separately according to the industry, the size of the company and the decision-maker's role in the company. Important emphasis is placed on the affordability of the program, localization for twelve countries, constant compliance with current legislation within each country and suitability for companies of different sizes and activities.

The key market segments in terms of marketing communication activities are: small businesses, companies in need of a financial accounting solution, HR and payroll solutions, manufacturing companies, medium-sized and multinational companies and veterinary practices.

8.5.2 Strategic orientations

In FY'22, as in the previous financial year, we shifted our sales focus from the predominantly small companies that we had actively targeted in previous years to the medium-sized segment. Within this segment, we focused primarily on companies in the manufacturing sector and on companies that require strong financial and accounting support. With the aim of increasing the number of sales opportunities in these areas, we have consequently adapted our communication channels, which now mainly include digital advertising, inbound marketing, content marketing and precise database segmentation, not only by company activity but also by employee function.

We place great emphasis on the sale of eBusiness solutions (ePosting, eDocumentation, eSMS, Workflows, eInvoices) and on a novelty among our products: the PANTHEON Web application.

8.5.3 Marketing as active sales support

To generate new sales opportunities, we have a system in place to generate leads, which we pass on to the sales team, and we aim for half of the sales process to be done by marketing. Other activities are also geared towards acquiring new customers, as we run ATL (*above the line*) and BTL (*below the line*) campaigns and activities throughout the year, where we optimize the means and method of communication.

We place a strong emphasis on **inbound marketing and content marketing, while using a wide range of digital channels and actively monitoring and analyzing the results of individual campaigns.**

Classic advertising and PR is carried out in media covering business, business and finance, but we also include ads for specific activities in media targeting specific segments (e.g. accounting, manufacturing, etc.).

An important partner in the communication of the PANTHEON Hosting service is **Telekom Slovenije; the provider of the cloud-based service "Custom Office"**, which includes the PANTHEON software. Our annual marketing plan includes ATL and digital advertising, event participation, sales-oriented campaigns, joint webinars and manuals, as well as presence of our product in Telekom's printed materials.

We also organize **group presentations, webinars, manuals and handbooks** for potential users, which are basically general useful business content to which we link the use of PANTHEON. This type of content is primarily aimed at entrepreneurs who are looking to replace their existing software or purchase new software and are selecting information about providers.

A market that stood out this year was Datalab Serbia, where the introduction of tax cash registers took place. In Serbia, we took the opportunity of the mandatory fiscalization to adapt our marketing communications in the market. Through our adapted marketing communications, we continued to strengthen and raise the profile of our brands, ensure faster market penetration of new products and services and support sales activities in 2022.

We wanted to maximize our market share by seizing the key moment of the transition to the new fiscal model and offering simple and affordable solutions to our customers (PANTHEON Web Light).

We have strengthened our online presence with a revamped Serbian website, where we have placed a strong emphasis on information related to the introduction of cash registers. Through the website we wanted to offer users useful information such as manuals, webinars, blogs, etc. In 2022, we also had an active presence with TV commercials, radio commercials, video commercials, on social networks, where we set up new channels (LinkedIn, Facebook, Instagram, YouTube) and regularly published various information.

We have also implemented various marketing campaigns to keep in touch with potential users and maintain contact with existing users.

In 2022, we have this carried out the following activities in Serbia:

- Revamped our online presence with a new website and social media presence.
- Refreshed and updated the entire visual identity of the brand communication adapted to fiscalization (brochures, catalogues, leaflets, videos and other promotional material).
- Developed new marketing content: blogs, manuals, webinars, TV commercials, radio advertising, various events, social media promotions, PR texts, participation in TV and radio shows, video ads, creatives on various portals, advertising on the Google platform, etc.



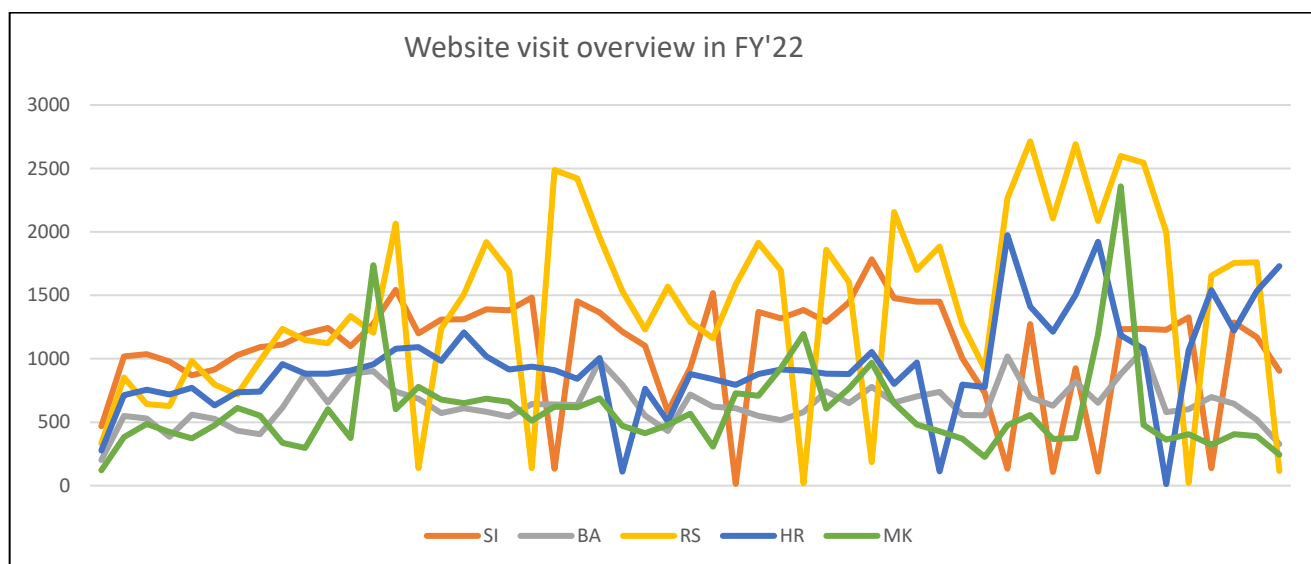
8.5.4 Optimizing digital channels for the whole region

In FY'22, we continued to actively optimize the user experience on our websites and our presence on other digital channels. We focused on an improved user experience and increased our social media presence with a redesign of our social networks. We started with the redesign of the YouTube channel and opened separate channels linked to the language or country of the user to facilitate communication with customers and, as a result, increase traffic to the company's website. With the redesign, we have so far opened the Datalab SI and Datalab EU channels and added refreshed content in Slovenian and English and added instructions for PANTHEON. In the course of the financial year, we will continue with the redesign of the remaining YouTube channels for the remaining countries. In 2022, we also refreshed our existing digital channels such as Instagram and Facebook with highlighted content to make it easier to search for content. We have also set up a company profile presence on Google My Business, where we highlight our products according to target groups. Not only with the overhaul of channels, but also with the creation of content, we have put more emphasis on user-tailored communication across different target groups and have addressed them accordingly. In this way, we also increased the conversion points on the site by creating useful content, and linked it appropriately to marketing automation tools that took care of building a relationship with potential and existing customers.



Website analytics recorded 328,829 sessions in FY'22, an increase of **26.29% compared to the previous financial year** (260,382 sessions recorded). The increase in the number of sessions is mainly attributed to the higher traffic on datalab.rs websites due to the legally mandatory fiscalization. Thus, the datalab.rs website recorded a 68% increase in the number of sessions. It is not negligible that the Slovenian website has also seen an increase in visits (53% more visits), followed by Macedonia with 41% and Croatia with 23% more visits.

Comparing the number of users from FY'22, we see a significant increase in the number of visitors. The graph below shows the number of users by different countries and by week. The highest number of visits is recorded on the Serbian website, as mentioned above the higher number of visits is attributed to the legal obligation of fiscalization.



Graphical representation of the number of unique visits to websites by week in FY'22.

Creating user-centric content to conversions and lead nurturing

In 2022, we wanted to reach Datalab's digital channel visitors with personalized content through increased inbound marketing activities. We put the customer at the forefront of our campaigns by identifying relevant and interesting content. By delivering quality content, we identified with users across different target groups and brought PANTHEON closer to them. We have integrated both content and email marketing into inbound marketing.

To get even closer to website visitors and provide them with targeted, relevant information at the moment they need it, we have followed marketing automation processes. The aim is to ensure that each user receives information from the first contact to the moment the information becomes relevant to the user, to the nurturing of the contact and later to the purchase and the implementation and follow-up of after-sales activities. During the financial year, we not only adapted our content and increased our digital presence and strengthened our brand reputation, but we also introduced targeted advertising specifically to specific target groups with different content, which brings better results in lead generation.

In the coming year, we will continue our successful practices by producing a variety of content, ranging from webinars to blog posts, handbooks and email campaigns in the areas of entrepreneurship, legislative changes, accounting,

management, etc. We have integrated useful content into our content marketing by preparing manuals, brochures, user stories, etc. The aim of a wide range of free, relevant and interesting content brings users closer to the business program, educates them on the importance of digital business, helps them with business conundrums and further increases website traffic, improves sales results, increases the number of leads and strengthens the loyalty of existing PANTHEON users. We will continue to segment our sales target groups by key industries, roles within the company, tailor marketing activities and sales approaches.

The link between content marketing and website, and lead nurturing

To get even closer to website visitors and provide them with targeted, relevant information at the moment they need it, we have introduced marketing automation processes. The purpose of this is to nurture leads from the moment they first contact us to the point of purchase, and to implement and follow up on post-sales activities.

With the aim of connecting with a wider audience and the possibility of targeted advertising that delivers better results in lead generation, we will make even better use of the potential of social networks to interact with target audiences in FY'23.

In the coming year, we are continuing our successful practices and organising webinars on entrepreneurship, legislative changes, accounting, management, etc. A wide range of free, relevant and interesting content will further increase website traffic, improve sales results, increase the number of leads and strengthen the loyalty of existing PANTHEON users. We will segment sales target groups by key industries, company roles, tailor marketing activities and sales approaches.

Successfully held 5 PANTHEON conferences in FY'22

In FY'22, we successfully organized five local PANTHEON conference, attended by more than 1500 participants. These are events organized for our existing users, where we present all the latest innovations, tips, improvements and partner solutions.

The first in the series of PANTHEON conferences on "Connected and secure digital companies" was held in Laško, Slovenia, on 23 and 24 September, where we had the opportunity to learn about the importance of digitization of business and adapting to all changes in the market from different perspectives.

The PANTHEON conference highlights new developments in legislation and business and all related new features in PANTHEON. In addition to PANTHEON experts, the conference hosts renowned experts who drive initiatives and enable real progress in companies using PANTHEON, all through presentations and interesting wide-ranging discussions. The event is also an excellent opportunity for various business meetings and networking.

In September 2022, a special edition of the international PANTHEON conference is taking place as Datalab celebrates its 25th anniversary.

The theme of the conference is "Hands-on Experience", where participants have the opportunity to experience digital transformation in practice.





8.5.5 Partnership cooperation

An important partner in the communication of the PANTHEON Hosting service is **Telekom Slovenije**; the provider of the cloud-based service "Custom Office", which also includes the PANTHEON software. Our annual marketing plan includes ATL advertising, participation in events, sales-oriented campaigns coordinated through the call centre and presence of our product in Telekom's printed materials. In addition to Telekom Slovenije, we are also associated with **IPKO Telecommunications** (Kosovo), **Hrvatski Telekom** (Croatia), **Macedonski Telekom** (Macedonia) and **Telekom Srbija** (Serbia) and **BH Telecom** (Bosnia and Herzegovina) in the implementation of our marketing activities in our branch offices.

Our **partner channel** is a great platform for organizing joint campaigns to generate new users. As we do every year, we have upgraded our relationship with potential customers to generate and nurture sales opportunities. All potential customers are more precisely defined, which is a great help to the sales department, and we are also trying to achieve a closer and more genuine relationship between Datalab and the customer from the very beginning.

We also involve **implementation partners** in marketing campaigns based on direct contact with potential customers (via traditional mail, email and phone calls), as this is the only way to achieve commitment from their sales team members. This type of joint action allows us to offer solutions that are specifically tailored to the target users; in fact, some development and implementation partners have developed solutions that are tailored to individual industries. Such industrial verticals greatly increase the value of PANTHEON, which is otherwise not particularly tailored to individual industrial activities/users, as it strives for universality.

8.5.6 User to user – recommend PANTHEON

PANTHEON users who recommend the program to their business partners and friends are rewarded for their trust. All users who expand their experience with PANTHEON and recommend it to others are rewarded for their work with 10% of the license value purchased by the company on the basis of the recommendation.

8.5.7 Informing the target public

8.5.7.1 Partner's Update, Corp News, Local news

At Datalab, we prepare a weekly Partner's Update. Datalab's development and implementation partners are informed via email about information, news, improvements and upgrades in PANTHEON and about major events in the so-called Datalab ecosystem via the Partner's Update.

All important information is regularly published on the INTRA News Feed on SharePoint, where all Datalab and Datalab subsidiaries' employees are informed about current events and important company news. We also send monthly news updates to employees and all partners in the Datalab Group.

8.5.7.2 Notifying investors

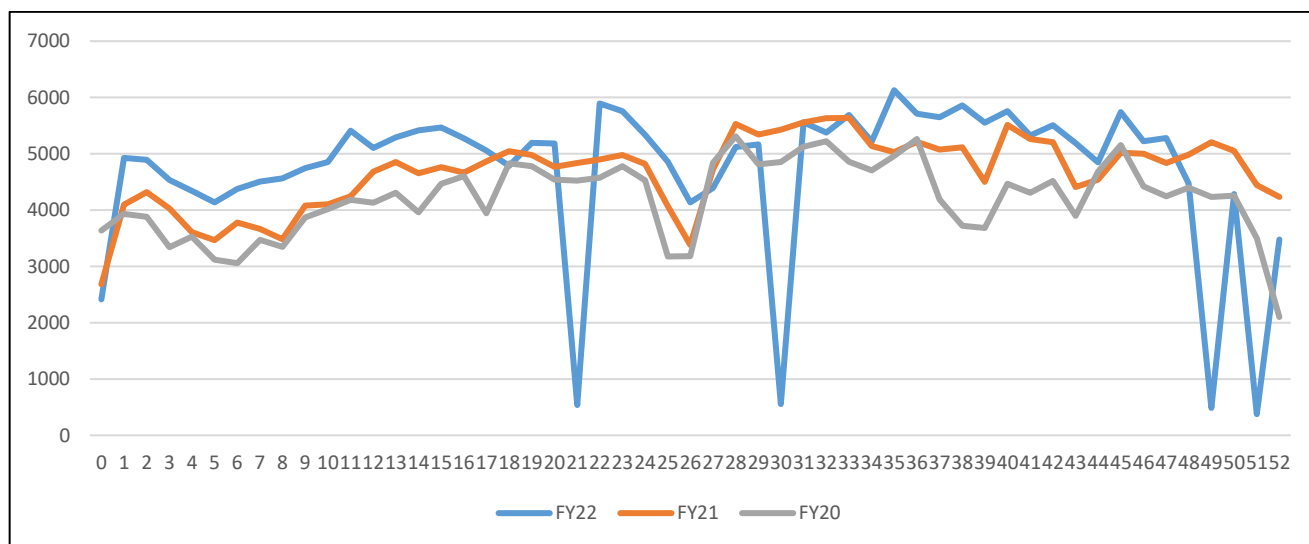
To keep investors informed, we have a dedicated website www.datalab.si/vlagatelj (English site:

8.5.7.3 User Site

On PANTHEON UserSite pages, PANTHEON users and other interested members of the public contribute their knowledge, experience and help to other users. Through crowdsourcing, a knowledge base is created from which the entire Datalab ecosystem can easily and above all free of charge draw information.

PANTHEON UserSite has been successfully operating, connecting and collaborating in knowledge transfer for many years. The members of PANTHEON online community, united by the slogan 'Join the Tribe', extend from Datalab employees (in Slovenia and all subsidiaries) to PANTHEON users, partners, accountants, entrepreneurs, etc.

On the UserSite, we publish news about the program and related content (entrepreneurship, legislation, events, etc.). We offer users several support channels (via the HelpDesk, phone and forum), video content (PANTHEON TV), complete documentation in Wiki format, the Encyclopaedia of Entrepreneurship (with contributions from guest authors) – all of which are interlinked in a system that, when viewing one piece of content, can suggest other related content. In this way, we are guiding users from the problem to the solution, thus achieving more efficient support for working with the software and for their business in general.



Graphical representation of the number of unique visits to the UserSite by week for the financial years 2020 2021 and 2022

In 2022, we see an increase of 19,100 more visits to the UserSite than in 2021.

8.5.7.4 Internal marketing

Every year, we actively upgrade our activities for Datalab Group employees.

We organize formal and informal events and meetings:

- Picnics, quizzes, sailing, corp new year's party, regional training, workshops and meetings for children (Bring your kids to work, Lego workshops, Santa Claus)
- A joint action transformed one of our offices into a common space for socialising, lunches, internal meetings.
- We have been continuing the annual award for the best employee – the **Superstar Award**, where employees nominate their colleagues, and directors choose the winner in each country. We have outstanding individuals among us who:
 - Pass on their knowledge and experience to others or to new colleagues
 - Exceed expectations
 - Encourage teamwork
 - Connect the team
 - Strive to be better every day and encourage others to do the same
 - Have ideas and make them happen
 - Stand by their actions, argue for them and believe in them
 - Spread a positive collective spirit



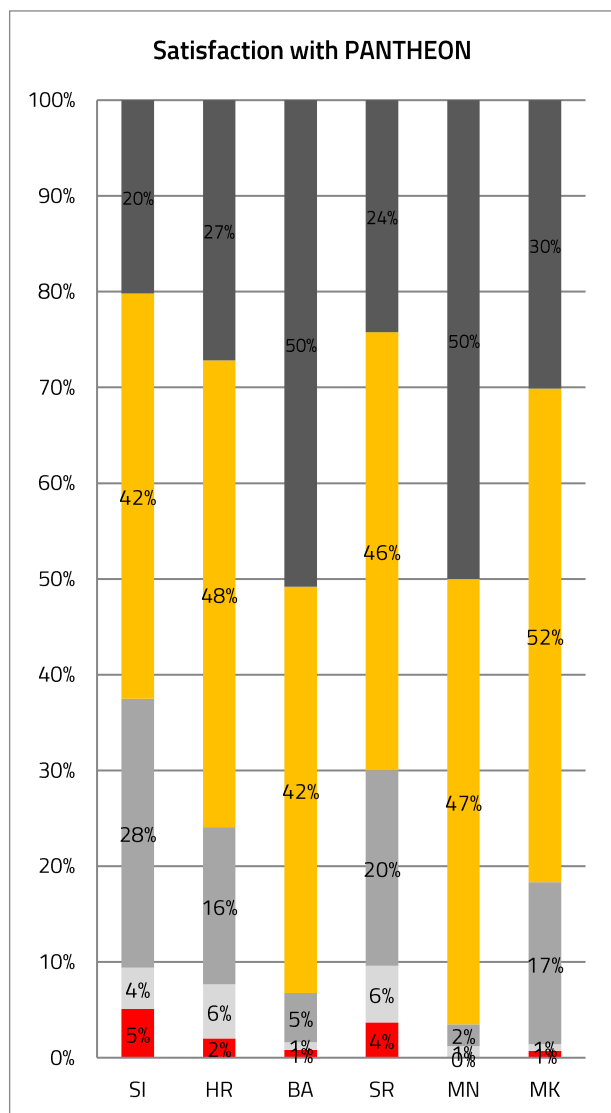
8.5.7.5 Customer satisfaction survey

For FY'22, we conducted a survey on customer satisfaction with PANTHEON software, the CSI (*Customer Satisfaction Index*) in Slovenia as well as in Serbia, Montenegro, Macedonia, Bosnia and Herzegovina, and Croatia.

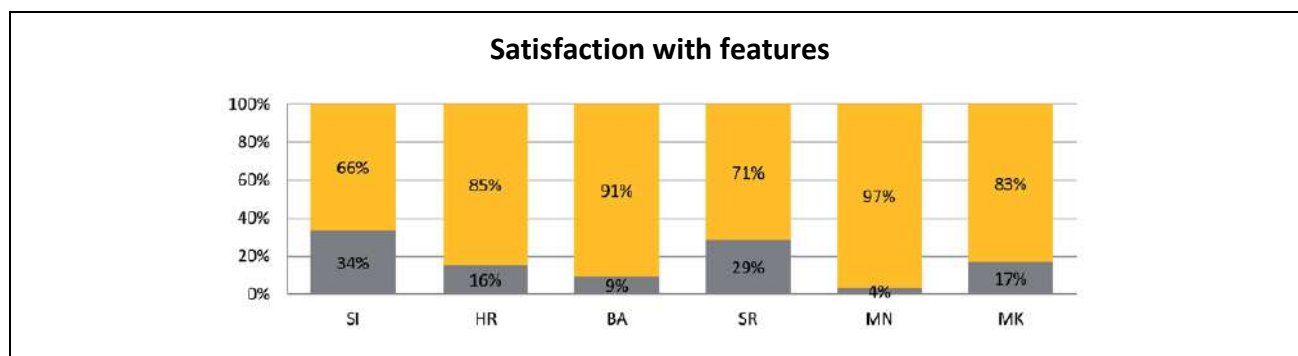
We surveyed 253 users in Slovenia, 269 in Serbia, 86 in Montenegro, 136 in Macedonia, 252 in Bosnia and 249 in Croatia, for a total of 1,245 valid surveys. The survey consisted of 22 questions, divided into the following sections:

- Satisfaction with the PANTHEON software and its features,
- Issues related to the upgrade contract and program improvements,
- Satisfaction with Datalab's support (Datalab Unified Service Desk) and partner support and assistance.

Here are some of the results of the analysis by country (all data in percentages).



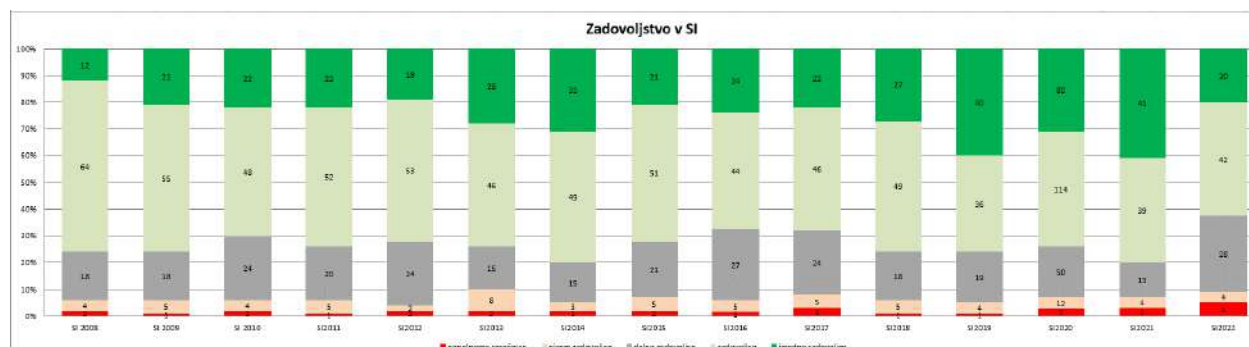
PANTHEON is overwhelmingly used by satisfied users, with an average of **80% of all users in the region** being satisfied and extremely satisfied. The highest percentage of satisfied and extremely satisfied users with PANTHEON is in Montenegro (97%) and Bosnia and Herzegovina (92%).



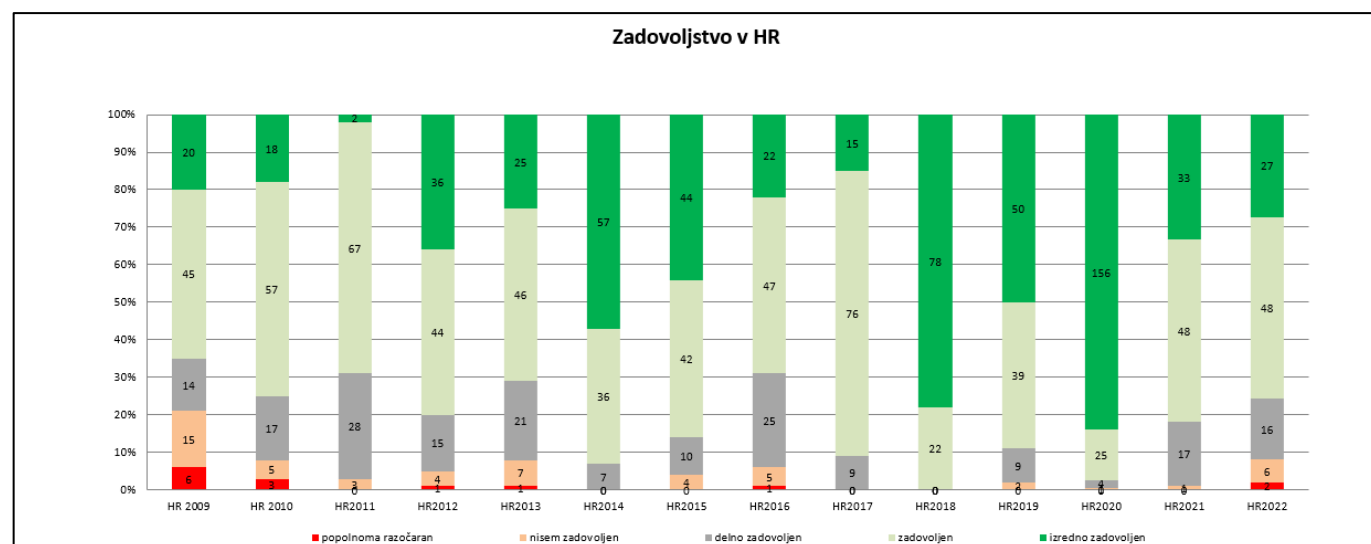
On average, 82% of PANTHEON users believe that the software contains all the features needed for the business processes in their companies. We have taken a detailed inventory of the suggestions of those who indicated which features would make their work easier and will try to implement them in the future, if possible.

The excellent work of the entire Datalab team is also reflected in the fact that together 85% of all users across all countries would recommend PANTHEON to their business partners and friends.

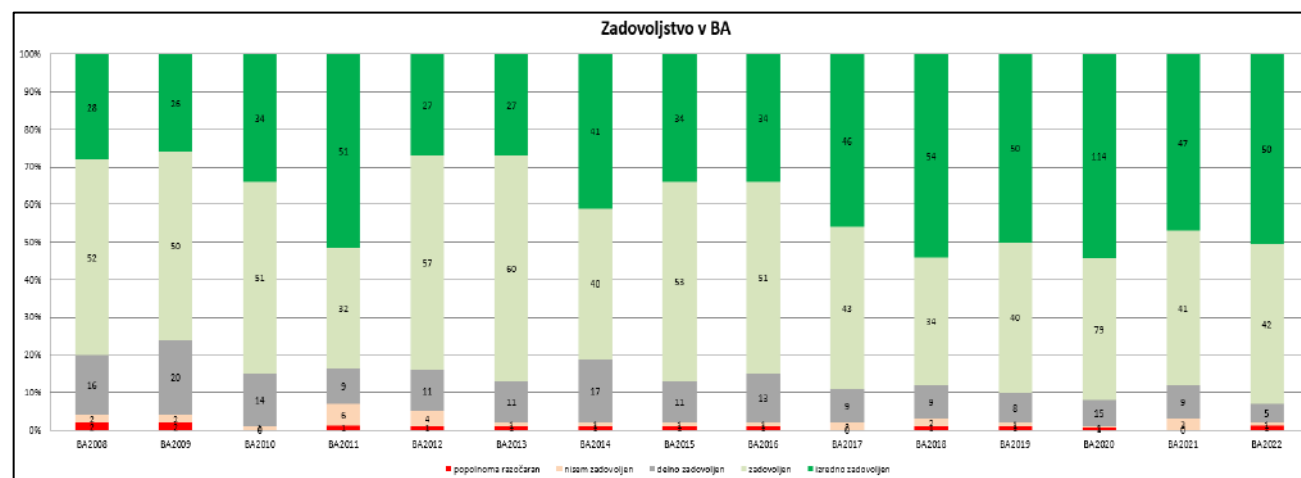
An overview of the trend in customer satisfaction from 2008–2022 for the countries where the CSI analysis has been carried out for all 13 years:



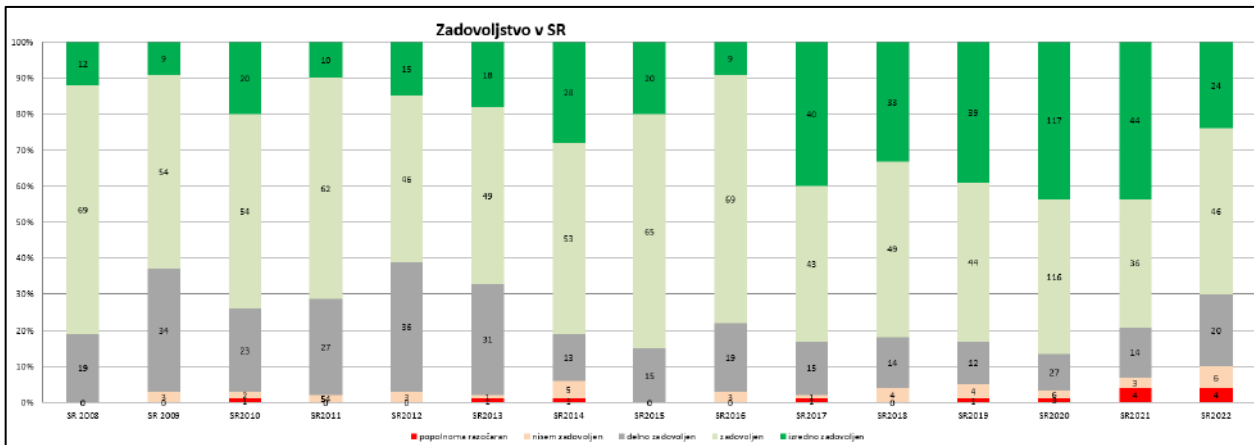
In 2022, we recorded 62% of satisfied or extremely satisfied users in Slovenia. If we add those who are moderately satisfied, satisfaction is at 90%.



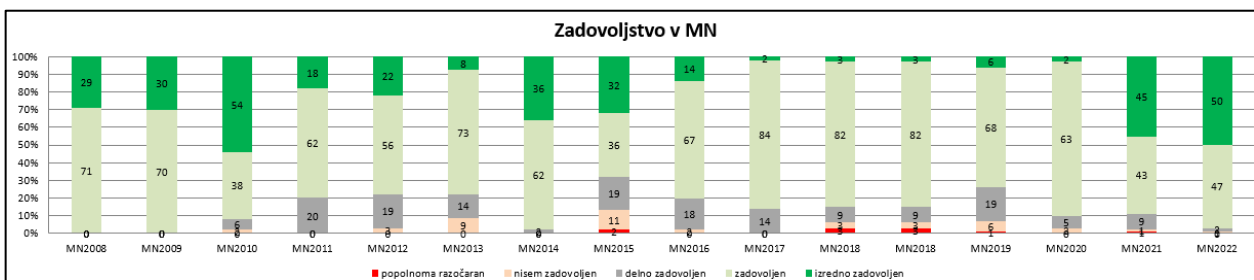
In 2022, we recorded 75% satisfied or extremely satisfied users in Croatia, a decrease of 4% compared to last year.



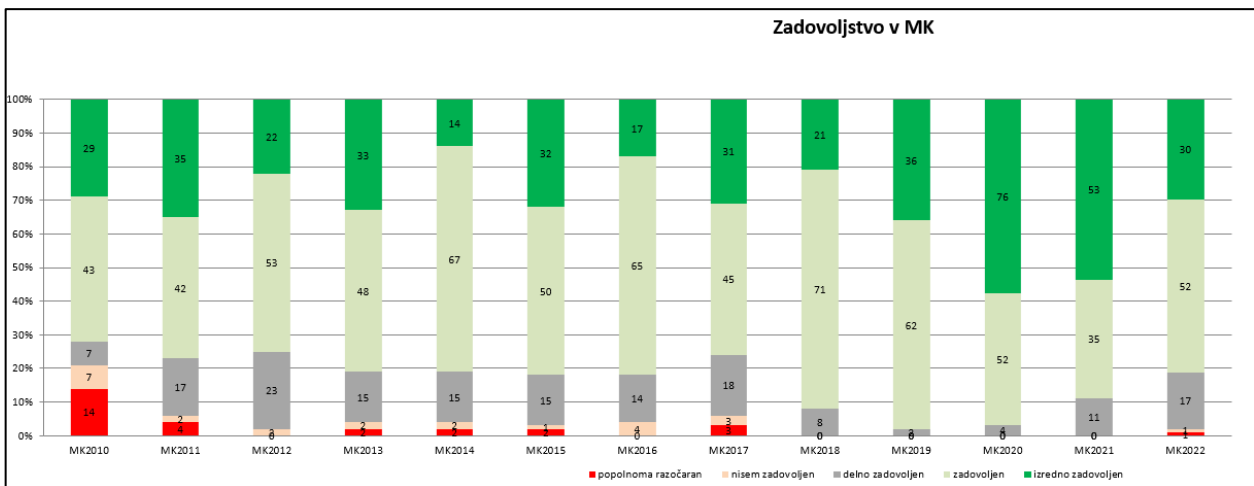
In 2022, we recorded 92% of satisfied and extremely satisfied customers in Bosnia and Herzegovina, which is an increase of around 4% compared to last year.



In Serbia, we recorded 70% satisfied and extremely satisfied users in 2022, slightly lower than last year.



In 2022, 97% of satisfied or extremely satisfied users were recorded in Montenegro, which is higher than last year and represents a significant increase (8%) from 2021. However, there is a particularly large increase in extremely satisfied users, who account for half of all reviews.



In 2022, we recorded 82% satisfied and extremely satisfied users in Macedonia, which is a decrease of around 7% compared to the previous year.

8.6 DCD – Datalab Community Development



Vanja Cigoj

The main objectives of the DCD are:

- To provide fast and suitable/key information (according to the user profile and needs) and to improve the quality of the written and video user instructions for PANTHEON;
- To unify instructions, trainings, AT and new features by defining the processes, organization and control through the creation of new and quality DEMO bases (virtual companies);
- To make PANTHEON user guide and manual development better and more cost-effective.

8.6.1 DCD recruitment in FY'22

In FY'22, DCD continues its regular cooperation and work with Datalab Technology's development and SUB support departments. The collaboration concerns the preparation of concepts and the writing of the technical guide and user manual for PANTHEON applications and the recording of video tutorials.

This year, we have recruited four dedicated instructions writers, the so-called DCD Dedicated Staff. The writers are responsible for the preparation of the user manual and the examples in the primary language (Slovenian). Translations into English for the EU database instructions are provided by DEV-Translation team and into the languages of other localizations by dedicated persons from the USD department in subsidiaries.

8.6.2 Developing new demo databases

One of the main goals of DCD is to create new and high-quality demo databases, where business cases are created on the bases of fictional companies using PANTHEON. Sample use cases are made on examples of diverse companies, from a small entrepreneur to a large manufacturing company.

In FY'22, we completed the localization of Tecta databases in Slovenia, Croatia, Serbia, Macedonia, Bosnia and Herzegovina and Montenegro. In cooperation with the development team, we prepared a new EU demo database for PANTHEON Vet; an ERP for veterinary practices that combines a business management solution and a module for working in veterinary practices, for both small and large animal practices.



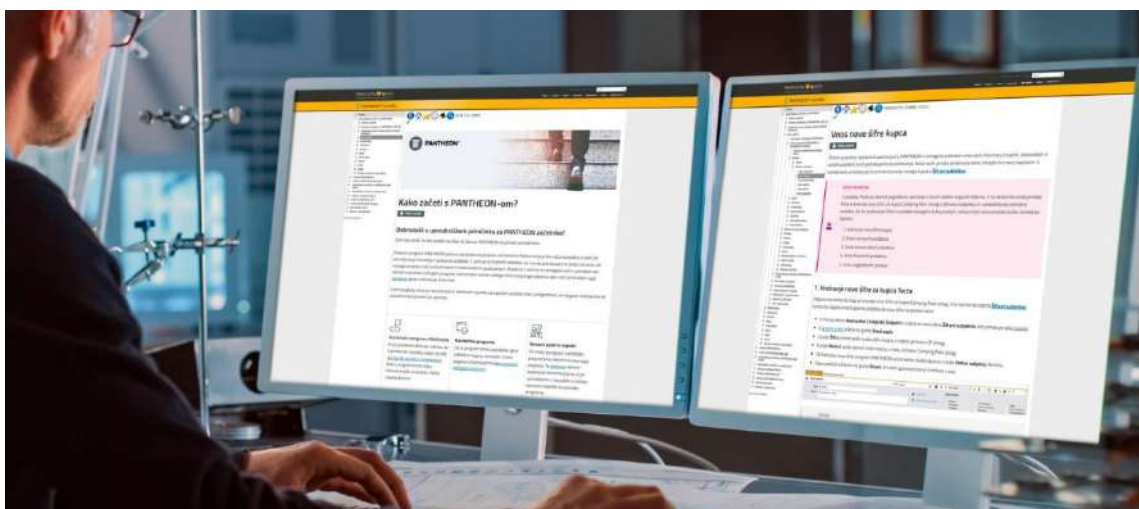
DCD image: Development of new PANTHEON demo databases

In FY'23, we continue with the translation and localization of the new VET demo database in Slovenia, Croatia, Serbia and Bosnia and Herzegovina. After the completion of the VET project, we will continue with the other planned databases.

8.6.3 Development of new PANTHEON user manuals

In FY'22, we will start an organized revision and development of the PANTHEON User Manual. By the end of the year, we will have developed a new Getting Started User Manual of more than 400 pages. The latter is based on the Tecta demo database examples and has a brand-new structure. This is defined in a way that guides the user step by step to the solution in PANTHEON.

In addition to the Getting Started Manual, we also started and successfully completed the development of the PANTHEON Web Light User Manual this year.



DCD image: Development of PANTHEON User Manuals

In FY'23, our goal is to complete the overhaul of the PANTHEON User Manual, with a focus on eBusiness solutions, and the PANTHEON Vet User Manual, for which we have also completed and prepared a new demo database in FY'22. With new and clearer user manual, we aim to make the work easier for all PANTHEON users.

8.6.4 PANTHEON News

PANTHEON users, partners and DCD employees are regularly informed via the PANTHEON Digital Newsletter. These include important program updates, relevant trainings, professional articles, events, etc.

PANTHEON Corporate News is published after the release of new versions of PANTHEON and PANTHEON SUB News is sent out once a month.



DCD image: PANTHEON News

8.6.5 PANTHEON Academy

PANTHEON Academy (which operates within Datalab) is marked by the Covid-19 epidemic in FY'20, makes a comprehensive shift to incorporate e-learning and goes through a reorganization in the second half of the financial year. PANTHEON training is also being delivered at two levels in FY'22.

In FY'22, several important activities are taking place within the PANTHEON Academy:

- PANTHEON International Training (by DCD)
- PANTHEON conference (content support)
- PANTHEON user training (by USD, SUB-based)

8.6.5.1 International training

- 15 October 2021: Connecting PANTHEON with Machines – Factory 4.0
- 22 November 2021: Manufacturing webinar for supporters (partners, DL employees)
- 18 March 2022: PANTHEON Sales and Marketing Summit (DL employees)
- 30 March 2022: Transition to Euro – Meetup and discussion with partners and DL employees
- 28 June 2022: RLS international Webinar
- 29 June 2022: PANTHEON Web Services International Webinar



DCD image: PANTHEON Webinars

8.6.5.2 Content support for the PANTHEON conference

The PANTHEON Academy within DCD assists in the preparation of the content of PANTHEON conferences. It is responsible for the preparation of the program concept together with the Datalab development team and for the preparation of all related materials: scripts, videos and PowerPoint materials.

The content defined by the DCD and DEV teams is successfully implemented by the SUB staff in the implementation of local conferences later in the year.

8.6.5.3 PANTHEON training in the Datalab subsidiaries support centers:

The main objective of the PANTHEON Academy is to continuously train users and partners in the use of PANTHEON. It operates within the framework of a support department in the branches. Brief summary of activities by country:

PANTHEON training in Slovenia

In the past financial year, Datalab Support has organized a number of online training sessions for users, partners and employees, as well as for those who do not yet use the software but might want to in the future. In total, over **400** users registered for all the training courses delivered.

As PANTHEON is a comprehensive program that offers a huge variety of features and tools, and is constantly being updated and improved, we wanted to provide our users with training sessions, mainly using current examples, to

introduce them to updates that they may not yet be familiar with or use in practice, but which would make their work much easier.

We have carried out trainings in the areas of goods and material management, eBusiness, accounting, human resources and payroll, manufacturing, and some related to the operation of PANTHEON itself.

PANTHEON training in Croatia

In FY'22, we focused on individual and tailor-made training and on training for the transition to euro, which in the first round hosted **87** participants, and we aim to continue organizing such training events in the future.

PANTHEON training in Serbia

The main focus of support department in DL SR in FY'22 were fiscalization and eInvoicing. We didn't organize webinars but one-to-one custom trainings for PANTHEON customers after implementation. Also, we organized training events regarding new fiscalization through our PAW sales Incubator. We also had one closed-type webinar for new PAW partners through the network of cash register servicing and repair personnel. We will continue with trainings on eInvoicing and eDocumentation until the end of the 2022 calendar year. There is already one webinar planned for August 2022.

PANTHEON training in North Macedonia

Datalab MK Academy organized a lot of educational events (online webinars and events) for all our user and partners. After the epidemic of Covid 19, the rhythm of training changed, and the events took place in a digital workspace through online webinars and non-stop available pre-recorded videos. The live webinars and video materials proved to be a great idea for learning from anywhere and at any time.

The last webinar was "How to improve billing with PANTHEON? Technology and training can significantly improve billing, which is one of the most common problems in Macedonia and neighboring countries. The Datalab team has successfully implemented a new billing procedure in a large number of companies. Through our webinar, the users were introduced to techniques and procedures for improving the receivables collection process.

PANTHEON training in Bosnia and Herzegovina

Datalab BA Academy realized several successful educational events with current topics related to legislative changes, for example, the training that attracted the most attention was "Export 1002 obrasca u XML formatu uz PANTHEON", and "elektronski KIF i KUF – primjeri iz prakse uz PANTHEON". Important topics for users were also "Zaključak godine i korisni savjeti za kreiranje zaključka (tips&tricks)" and "Oblikovanje ispisa" etc. The total number of all participants was 121.



An example of a webinar attendance application – PANTHEON Academy North Macedonia

8.7 Major business events in FY'22

AUGUST 2021

- On 12 August 2021, Datalab Tehnologije d.d. acquired its 70,000th PANTHEON user. Since the 65,000-user milestone, it had been just under 4 months or a record 117 days compared to the trend of previous years ,

when it took us about a year for every 5,000 new users. This makes the community of PANTHEON users the strongest in the region.

SEPTEMBER 2021

- After a one-year break due to the Covid situation, we held the PANTHEON conference again, this time at the Thermana Park Laško Congress Centre. More than 260 visitors and 28 sponsors joined us for the two-day event. At the conference, we were proud to present the new generation PANTHEON 11, where we put data security first. The evolution of a new generation of information system distinguishes PANTHEON 11 with one of the highest levels of security. This means comprehensive data security, whether the software is hosted on cloud servers or installed on own infrastructure.

OCTOBER 2021

- On 29 October 2021, Datalab Tehnologije d.d., Ljubljana, published its audited consolidated and unconsolidated annual report for the financial year 2021, which started on 1 July 2020 and ended on 30 June 2021.

DECEMBER 2021

- The Quarterly Management Report of Datalab Tehnologije d.d. and the Group for the period from 1 July 2021 to 30 September 2021 was published.
- On 17 December 2021, we held an international demonstration of the PANTHEON Machine-to-Machine Connection at the BTC Digital Innovation Hub.

FEBRUARY 2022

- The previous Managing Director of Datalab HR d.o.o., Goran Težak, was dismissed from his position as MD of Datalab HR d.o.o., and took over the role of Key Account Manager for the Datalab Group as of 1 February 2022. Danilo Tomšič, Head of Telecom Operator Relationships at Datalab Group, was temporarily appointed to the position of Managing Director as of 31 January 2022.
- On 28 February 2022, Datalab Technologies held its Annual General Meeting. The notice on the adopted decisions of the 22nd General Meeting of Shareholders of Datalab Tehnologija d.d., Ljubljana was published in the SEONet system and on the company's website.

MARCH 2022

- On 31 March 2022, the unconsolidated and consolidated unaudited results were published for the first half of FY'22, starting on 1 July 2021 and ending on 31 December 2021.

MAY 2022

- In May, we held three local PANTHEON conferences, namely in Croatia, Bosnia and Herzegovina, and Macedonia. These are events that we organise for our existing users, where we present all the new developments, tips, improvements and partner solutions. In addition to PANTHEON experts, the conference hosts renowned experts who drive initiatives and enable real progress in companies using PANTHEON, all through presentations and interesting wide-ranging discussions. The event is also a great opportunity for various business meetings and networking.
- At the end of May, we published the Quarterly Management Report of the Company and the Group for the period from 1 July 2021 to 31 March 2022.

JUNE 2022

- At the beginning of June, we held the last of the PANTHEON Conference series of events in Serbia. This concluded the presentations of products and trends on the topic of "Connected and secure digital companies". We could show from different perspectives the importance of digitizing business and adapting to all market changes.

8.8 Significant events after the end of the financial report period

SEPTEMBER 2022

- On 29 and 30 September 2022, we hosted the international PANTHEON conference at the Grand Hotel Adriatic in Opatija, Croatia, to celebrate Datalab's 25th anniversary. More than 400 participants from all over the region together with Datalab experts had the opportunity to actively and first-hand experience the innovations and improvements of the PANTHEON ERP software.
During these two days, a number of distinguished guests and partners spoke about the future and security of business, electronic posting, innovations and further digitization. Participants were introduced to the latest technologies that bring both great challenges and unimaginable opportunities
- On 19 September 2022, Lojze Zajc, a member of the Board of Directors and a Non-Executive Director, tendered his resignation as a member of the Board of Directors and Chairman of the Audit Committee, with a condition precedent until the convening of the Ordinary General Meeting of Shareholders, expected to be held in December 2022. The General Meeting of Shareholders will, on the proposal of the Board of Directors, elect a new member and the new composition of the Board of Directors will appoint a new Chairman of the Audit Committee from among the Non-Executive Directors.
- On 30 September 2022, we published the preliminary unaudited Group Statements of Comprehensive Income for FY'22. The Datalab d.d. Group successfully completed the financial year 2022, which ran from 1 July 2021 to 30 June 2022.

8.9 Social responsibility

- At the end of 2021, we donated a business car lease to the Malči Belič Youth Care Center. They use it everyday for driving their children in care to different schools around Ljubljana on a daily basis. This way, we have reduced the time children spend on their way to school, reduced logistical challenges and thus further strengthened our role in social responsibility.
- Every year, we give the children from the Malči Belič Youth Care Center the opportunity to spend a few weekends on a sailing trip along the Slovenian coast, thus introducing them to teamwork, responsibility and carefree moments spent at sea adventures.
- In 2021, we again financially supported a promising young driver, Marek Škulj, as a member of AMD Gorica among juniors up to 21 years of age.

8.10 Risk management in the Datalab Group

Despite the small size of the Group and its member companies, we are aware that risk management is one of the core areas that every company needs to continuously develop. Datalab Group has identified the most important and most probable risks according to the criteria of significance and likelihood of occurrence, reviewed the key internal control mechanisms and developed a risk monitoring and management mechanism. The objective of the risk management area is to detect risks and turn them to its advantage.

The risks within the Group have been divided into two major groups: business risks and financial risks. They are presented and explained in the table below.

Business risks

Risk area	Description	Method of control	Exposure
Rise in energy prices	Rising electricity, fuel prices	Reducing consumption, investing in solar power, more efficient heating and cooling	High
Covid	Risk of infections in the company	Work from home, health and safety measures (so-called "PCT" in Slovenia)	Significant
	Decrease in economic activity	Same as "recession"	

Recession	Risk of collapse of smaller companies, reducing installed database, smaller budgets.	Positioning: business informatics to help reduce costs. Increased activities to consolidate competing product providers into Datalab. Lowering the entry threshold through e-accounting and cloud	Significant
Intellectual property	Patent and litigation risks.	Fighting software patent protection.	Low
The development process	The risk that the product development process will not be completed successfully.	Project-based processes, development control, optimization of development processes and constant monitoring.	Low
Reliability of suppliers and business partners	Risk of uncompetitive or disrupted deliveries.	Monitoring compliance with contractual agreements.	Moderate
Competition	Risk of new competition or intensification of existing competition. Competitors significantly lower the prices of their products in order to survive.	Monitoring the activities of competitors, constantly innovating the business model (e.g. installment sales, partnership structure) and products (continuous development). Switching from CAPEX to OPEX model within PANTHEON Cloud Cooperation with telecoms to offer cloud services Opening new markets for Datalab Farming and offsetting economies of scale through a common core	Significant
Technological obsolescence	Uncompetitive products due to technological obsolescence.	Continuous development, with a new generation approximately every four years.	Moderate
Failure to meet PFC partners' targets	PFC partner (see 5.2) fails to meet the objectives set out in the agreement for copyright purchase	The PFC scheme is a variant of the so-called "earn-out" merger, where the partner is paid out with a share of the revenue that is jointly generated. The risk to the company is usually only a lump sum of about 3–5% of the planned revenue.	Low
Decline in capacity of the partner network	Reduction in the number of partners or implementation capacity occupied by existing operations.	Expanding the network of partners, reducing the support needed and the implementation time. Establishing partnerships with educational institutions. Liberalization of the market for support services (accountants, individual consultants, peer-to-peer support for users).	Moderate

Financial risks

Risk area	Description	Method of control	Exposure
Inflation	Post-Covid inflationary pressures	Increasing prices, raising productivity Investing the surpluses in real assets	High
Currency risks	Inflation in non-Euro markets	Currency clauses, current payment	Moderate
Share price drop	The general uncertainty in the financial sector will lead to a deterioration in demand for financial instruments.	Increased communication with analysts and investors to present opportunities in a recession and to highlight medium-term growth potential. Unwillingness of existing owners to sell below value.	Moderate
Risk of insufficient credit	The possibility of significantly reduced credit lines available.	Disposal of long-term lease contracts; other financial instruments (bonds) to refinance lease sales. Benefit from a national guarantee scheme.	Moderate
Interest rate risk	Risk related to changes in financing and borrowing conditions.	Longer-term borrowing at fixed interest rates.	Moderate

Credit risk	Risk of non-payment by customers.	Blocking deliveries, blocking software, securing payment mechanisms, recovery. Transferring a significant part of micro-invoicing to telecoms via cloud collaboration	Significant
Liquidity risk	The risk that the company may be unable to meet its current obligations.	Liquidity planning and monitoring and proper management of credit lines. Reduction of outstanding items. Enhanced monitoring of subsidiary debt.	Moderate
Risk of damage to property	Risk of fire, explosion, operational stoppage.	Appropriate insurances are in place. Daily data storage in a remote digital safe.	Low

8.11 Sustainable development and environmental policy

At Datalab, we are very aware of the importance of careful environmental management. Although we are a "clean" business that does not overly pollute the environment, we believe that we can contribute to the preservation of the environment through careful management of our environmental policy.

We provide remote support and work from home, replacing the movement of atoms (people) with the movement of electrons as far as possible.

At Datalab, we separate waste paper and plastics for recycling, as this helps to preserve the environment. We also dispose of toner and electronic waste in an environmentally friendly way. We encourage our employees to use less paper and to save energy in general.

But we are clearly making the biggest contribution to the environment through our work: by fighting for the creation of eBusiness and thus saving paper and all the externalities associated with moving atoms from place to place. It is significantly cheaper environmentally (taking into account electricity and other eco-impacts of electronics) to move information – bits.

8.12 Participation in organizations and working bodies

Datalab and its employees actively participate in various national and international organizations, working and standardization bodies.

Andrej Mertelj, is a member of the Slovenian Institute of Standardization (SIST) and a member of the Board of Directors of ACM Slovenia, as well as a member of the De-Bureaucratisation Group of the Strategic Council of the Government of the Republic of Slovenia from May 2020 and a member of the Strategic Council for Digitization of the Government of the Republic of Slovenia from April 2021.

Andrej Brlečič, Public Sector Administrator, is a member of the Board of Directors of the Association for Information and Communication Technologies at the Chamber of Commerce and Industry of Slovenia and Vice-Chair of the Business Software Section at ZIT.

Datalab is a member of the National Forum for e-Business at the Chamber of Commerce and Industry, which aims to standardize and popularize e-business among legal entities and the government environment.

8.13 Expected development of the company

In the coming years, the company will continue to complement and expand the range of products and services it offers. Over the next five-year period, we plan to achieve at least 10% average annual growth in existing business and at least

30% average annual growth in transaction revenues. The profitability of the company will continue to increase as the installed base of users grows.

8.13.1 Strategy over the period

We are not planning to change our strategy for some time. Complementing the offer with web-based software and transaction services will be the first priority. Together with the telecoms, we will think about how to digitize the whole economy and cover existing white spaces. We will stick to familiar markets and deepen our presence there. We will integrate companies into virtual wholes and blur the boundaries between them.

8.13.2 Plans for FY'23

In FY'23, we aim to exceed EUR 15 million in revenues in the markets covered by our subsidiaries and associates, growing by around 20%. We foresee slower growth in license sales and much faster sales of cloud products (+30%). The focus will be on Granules sales to larger customers. We plan 70% growth in transactional services. We intend to complete RLS shielding in PANTHEON 11. We aim to obtain ISO 27.000 certification. We want to maintain or slightly increase profitability.

II. FINANCIAL STATEMENT



9 Statement of the Board of Directors of the Parent Company

The Board of Directors of Datalab d.d. is responsible for the preparation of the annual report of the Parent Company and the Datalab Group and the financial statements in a manner that gives the interested public a true and fair view of property balance and consolidated profit and loss statement of Datalab d.d. and its subsidiaries for the financial year 2022. The Board of Directors of the Parent Company declares the following:

- that the consolidated financial statements have been prepared for the purpose of showing that Datalab d.d. and its subsidiaries will continue with their business activities in the future;
- the accounting policies chosen have been consistently applied and possible changes in accounting policies have been adequately disclosed;
- that accounting estimates have been made on a basis that is fair and reasonable and in accordance with the principles of prudence and sound governance;
- that the consolidated financial statements which include explanatory notes intended for the Datalab group have been drawn up in accordance with the applicable legislation and the International Financial Reporting Standards (IFRS);
- that the financial report includes an honest summary data of the development and performance of the Group's business and profit and loss statement as well as its financial position. It also details the types of risk to which the Parent Company and other companies in the group are subject to.

The Board of Directors of the Parent Company is also responsible for proper accounting, adoption of appropriate measures for the protection of property and the prevention and detection of fraud, and other irregularities or illegal activity.

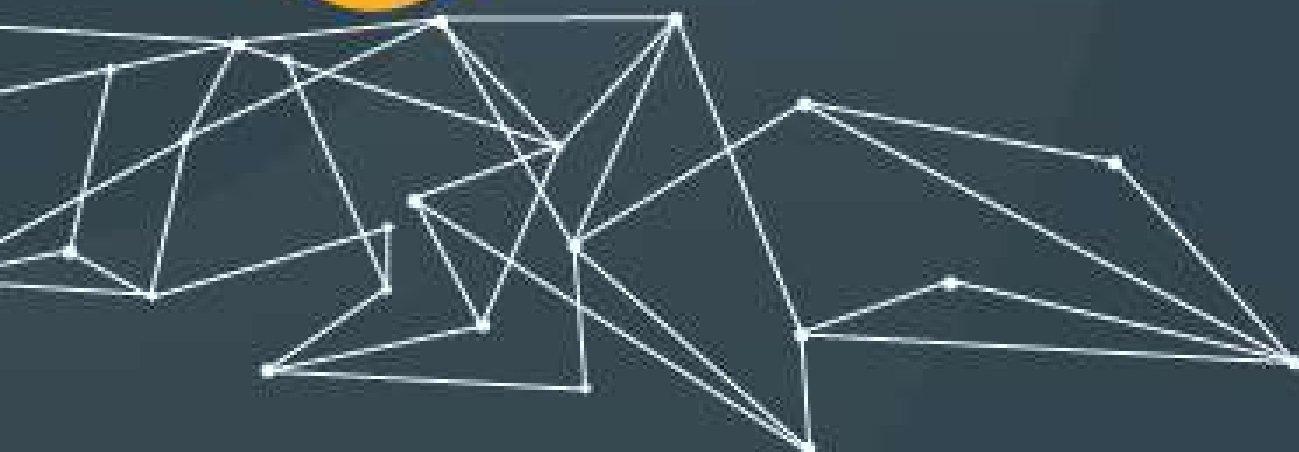
The tax authorities may, at any time within five years after the end of the year in which the taxes are chargeable, review the company's business operations, which may result in additional liability for tax, interest and penalties arising from corporate income tax or other taxes and duties. The Board of Directors of the company is not aware of any circumstances which could give rise to a material liability for any of the above taxes and which would have a material effect on the amounts shown in the Annual Report as well as on the company's future position.

The Board of Directors of the Parent Company hereby approves the consolidated financial statements of the Group for the financial year 2022 for publication.

Ljubljana, 24 October 2022

Executive Director of Datalab d.d.
Andrej Mertelj





10 Consolidated Statement of Comprehensive Income of Datalab Group

All amounts shown in the financial statements and disclosures are in EUR.

10.1 Consolidated statement of comprehensive income of the Datalab Group for the period from 1 July 2021 to 30 June 2022

Item	Note	FY'22	FY'21
Sales revenue from contracts with customers	11.7	13,334,142	10,954,096
Other operating revenue	11.8	3,411,131	2,812,509
Operating income		16,745,273	13,766,605
Cost of materials, goods and services	11.9	4,246,885	3,279,381
Labor costs	11.10	5,509,775	4,934,140
Depreciation of property, plant and equipment		151,974	107,144
Depreciation of intangible assets		2,651,707	2,363,273
Depreciation of right of use		114,082	107,043
Impairment of receivables and other assets	11.11	54,251	47,351
Other operating expenses	11.12	304,478	53,615
Operating profit or loss		3,712,121	2,874,658
Financial revenue	11.13	26,860	37,965
Financial expenses	11.14	823,297	109,286
Net cash flow		-796,437	-71,321
Profit or loss before taxes		2,915,684	2,803,337
Income tax expense	11.15	341,637	280,698
Deferred tax	11.16	33,504	-10,404
Net profit or loss for the financial year		2,607,550	2,512,235
Net profit or loss attributed to the minority shareholders		0	0
Net profit or loss attributed to majority owner		2,607,550	2,512,235
Items that will never be reclassified to the profit or loss statement		12,296	-47,239
Actuarial gains and losses		32,473	-47,239
Other components of comprehensive income		-20,177	0
Items that have been or may be reclassified to the profit or loss statement		-2,168	2,048
Impact of translation differences		-2,168	2,048
Total other comprehensive income for the financial year after taxes		10,128	-45,191
Total comprehensive income for the financial year		2,617,678	2,467,043
Total comprehensive income attributed to the minority shareholders		0	0
Total comprehensive income attributed to majority owner		2,617,678	2,467,043
Weighted average number of shares		2,168,803	2,173,479
Basic net profit or loss per share		1.20	1.16
Adjusted net profit or loss per share		1.20	1.16
Net profit or loss from continuing operations		2,607,550	2,512,235
Basic net profit or loss per share for continuing operations		1.20	1.16
Adjusted net profit or loss per share for continuing operations		1.20	1.16
Net profit or loss from discontinued operations		0	0
Basic net profit or loss per share for discontinued operations		0	0
Adjusted net profit or loss per share for discontinued operations		0	0

10.2 Consolidated statement of financial position of the Datalab Group as of 30 June 2022

Item	Note	30 Jun 2022	30 June 2021
ASSETS			
Property, plant and equipment	11.17	1,039,845	1,037,780
Right of use	11.18	558,376	313,171
Intangible assets	11.19	8,079,705	7,712,254
Investments in affiliated companies	11.20	0	0
Non-current loans granted	11.20	449,830	150,104
Non-current operating receivables	11.21	1,061	1,136
Non-current deferred costs	11.22	45,131	36,793
Deferred tax assets	11.23	863,402	829,899
Total non-current assets		11,037,350	10,081,137
Inventories	11.24	15,296	16,796
Short-term loans granted	11.25	530,481	586,684
Short-term operating receivables and other assets	11.26	3,172,560	2,678,496
Assets from contracts with customers		224,681	0
Income tax receivables	11.27	69,399	35,286
Cash and cash equivalents	11.28	5,321,275	5,284,715
Total current (short-term) assets		9,333,693	8,601,976
Total assets		20,371,043	18,683,113
EQUITY			
	11.29		
Share capital		4,379,768	4,379,768
Capital reserves		441,999	441,999
Profit reserves		437,977	437,977
Fair value reserves		-33,296	-71,072
Translation reserves		-220,683	-218,515
Retained net profit or loss		4,637,570	3,004,627
Equity of minority owners		0	0
Total equity		9,643,335	7,974,784
LIABILITIES			
Non-current financial liabilities	11.30	2,136,547	3,356,062
Non-current financial liabilities arising from leases	11.31	450,791	194,329
Non-current operating and other liabilities	11.32	123,774	124,023
Provisions	11.33	149,688	165,309
Non-current liabilities arising from contracts with customers			
Total non-current liabilities		2,860,800	3,839,723
Short-term financial liabilities	11.34	1,080,556	934,302
Short-term financial liabilities arising from leases	11.35	118,888	102,449
Short-term operating liabilities	11.36	3,725,029	3,021,918
Liabilities arising from contracts with customers	11.37	2,894,771	2,595,654
Income tax liabilities	11.38	47,664	214,283
Total current liabilities		7,866,907	6,868,606
Total liabilities		10,727,708	10,708,329
Total equity and liabilities		20,371,043	18,683,113

10.3 Consolidated statement of changes in equity of the Datalab Group for the period from 1 July 2021 to 30 June 2022

	Share capital	Capital reserves	Statutory reserves	Own shares reserves	Own shares and interests (as deduction item)	Translation reserves	Fair value reserves	Retained earnings	Equity attributed to majorit owners	Equity of minority owners	Total
A. Initial balance for the period	4,379,768	441,999	437,977	21,65€	-21,655	-218,515	-71,072	3,004,627	7,974,78€	0	7,974,784
B. Changes in equity – transactions with owners	0	0	0	€	5,295	0	0	-954,421	-949,12€	0	-949,126
b) Disposal or withdrawal of own shares and own interests	0	0	0	€	285,870	0	0	0	285,87€	0	285,870
c) Purchase of own shares and own interests	0	0	0	€	-280,575	0	0	0	-285,57€	0	-280,575
d) Dividends paid	0	0	0	€	0	0	0	-735,356	-735,35€	0	-735,356
e) Other changes in equity	0	0	0	€	0	0	0	-219,065	-219,06€	0	-219,065
C. Total comprehensive income for the period	0	0	0	€	0	-2,168	32,473	2,587,372	2,617,67€	0	2,617,677
a) Net profit or loss for the reporting period	0	0	0	€	0	0	0	2,607,550	2,607,55€	0	2,607,550
(b) Other components of comprehensive income of the reporting period	0	0	0	€	0	0	32,473	-20,178	12,29€	0	12,295
(c) Other changes – translation differences	0	0	0	€	0	-2,168	0	0	-2,16€	0	-2,168
Č. Changes in equity	0	0	0	-5,29€	0	0	5,303	-8	€	0	0
c) Establishment of reserves for own shares and interests from other equity components	0	0	0	-5,29€	0	0	0	5,295	€	0	0
(d) Other changes in equity	0	0	0	€	0	0	5,303	-5,303	€	0	0
D. Closing balance for the period	4,379,768	441,999	437,977	16,36€	-16,360	-220,683	-33,296	4,637,570	9,643,33€	0	9,643,335

10.4 Consolidated statement of changes in equity of the Datalab Group for the period from 1 July 2020 to 30 June 2021 (restated)

	Share capital	Capital reserves	Statutory reserves	Own share reserves	Own shares and interests (as deduction item)	Translation reserves	Fair value reserves	Retained earnings	Equity attributed to majority owner	Equity of minority owners	Total
A. Initial balance for the period	4,379,768	441,999	437,977	154,922	-154,922	-220,563	-23,335	1,211,600	6,227,446	0	6,227,446
B. Changes in equity – transactions with owners	0	0	0	0	133,267	0	0	-852,973	-719,706		-719,706
b) Disposal or withdrawal of own shares and own interests	0	0	0	0	264,618	0	0	-12,973	251,644		251,644
c) Purchase of own shares and own interests	0	0	0	0	-131,350	0	0	0	-131,350		-131,350
d) Dividends paid	0	0	0	0	0	0	0	-700,000	-700,000		-700,000
e) Other changes in equity	0	0	0	0	0	0	0	-140,000	-140,000		-140,000
C. Total comprehensive income for the period	0	0	0	0	0	2,048	-47,239	2,512,235	2,467,043	0	2,467,043
a) Net profit or loss for the reporting period	0	0	0	0	0	0	0	2,512,235	2,512,235	0	2,512,235
(b) Other components of comprehensive income of the reporting period	0	0	0	0	0	0	-47,239	0	-47,239	0	-47,239
(c) Other changes – translation differences	0	0	0	0	0	2,048	0	0	2,048	0	2,048
Č. Changes in equity	0	0	0	-133,267	0	0	-498	133,765	-0	0	0
c) Establishment of reserves for own shares and interests from other equity components	0	0	0	-133,267	0	0		133,267	0	0	0
(d) Other changes in equity	0	0	0	0	0	0	-498	498	0	0	0
D. Closing balance for the period	4,379,768	441,999	437,977	21,655	-21,655	-218,515	-71,072	3,004,627	7,974,784	0	7,974,784

10.5 Consolidated cash flow statement of the Datalab Group for the period from 1 July 2021 to 30 June 2022

Item	FY'22	FY'21 (rev)
CASH FLOWS FROM OPERATIONS		
Net profit or loss	2,607,550	2,512,235
Adjustments for:		
Depreciation of property, plant and equipment	151,974	107,144
Depreciation of right of use	114,082	107,043
Depreciation of intangible assets	2,651,707	2,363,272
Impairment, write-off/reversal of impairment of non-current assets	0	-1,004
Revaluation of fixed assets including gains and losses	-457	-1,115
Net (decrease)/increase in value adjustment for receivables	54,251	47,351
Net financial (income)/expenses	148,757	87,673
Revaluation and write-offs of liabilities	438,403	0
Net decrease/creation of provisions for employee benefits	22,588	14,332
Net decrease/creation of other provisions and deferred income	0	-446
Tax expense	308,134	291,102
Cash flow from operations before changes in working capital	6,496,989	5,527,588
Change in operating receivables	-1,030,739	-276,171
Change in other assets and advances	20,175	-25,934
Change in inventories	1,493	-929
Change in the operating liabilities	1,211,973	222,671
Change in other liabilities, short-term deferred income, accrued costs	32,708	322,686
Exchange rate differences	31,884	0
Changes in net working capital	267,494	242,323
Cash generated from operating activities	6,764,483	5,769,912
Income tax expense	-428,483	-47,093
Net cash flow from operating activities	6,336,000	5,722,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from the disposal of property, plant and equipment	870	1,115
Cash receipts from the disposal of right of use	0	0
Cash receipts from the disposal of financial investments	0	3,377
Cash receipts from loans granted and deposits	54,187	44,978
Interest received	6,057	4,176
Cash disbursements for acquiring intangible assets	-3,019,879	-2,979,678
Cash disbursements for acquiring property, plant and equipment	-151,457	-340,956
Cash disbursements for loans granted and deposits	-300,000	-247,400
Net cash flow from investing activities	-3,410,222	-3,514,388
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from loans	0	2,000,000
Interest disbursements relating to financing	-89,686	-82,459
Interest disbursements relating to the right of use	-11,743	-10,723
Cash disbursements for the repayment of financial liabilities	-949,894	-226,831
Cash disbursements for the repayment of financial liabilities arising from leases	-115,035	-101,479
Dividends paid	-1,440,430	0
Purchase of own shares	-280,575	-57,000
Elimination of cash flows due to deconsolidation	0	0
Net cash flow from financing activities	-2,887,363	1,521,508
Net change in cash and cash equivalents	38,415	3,729,938
Cash and cash equivalents at the beginning of the year	5,284,715	1,552,059
Exchange rate differences	-1,855	2,718
Cash and cash equivalents at the end of the year	5,321,275	5,284,715



11 Notes To the Financial Statements

11.1 Reporting company

Datalab d.d., Ljubljana, is a publicly-traded company incorporated in the Republic of Slovenia. The company's shares are listed on the Ljubljana Stock Exchange. The consolidated financial statements of the Group for the year ending 30 June 2022 include the company and its subsidiaries (together referred to as the Group).

The main objective of the group is developing of a powerful and reliable ERP system for micro, small and mid-size businesses, selling and implementing in international markets/countries, and managing the Partner Network.

The group's principal business activity is: 58.290 – Other software publishing.

The Datalab Group had 195 employees as at 30 June 2022.

The financial statements of Datalab d.d., Ljubljana, for the year ending 30 June 2022 were approved at a meeting of the Board of Directors on 25 October 2022.

11.2 The basis for drawing up

11.2.1 Statement of compliance

The financial statements are prepared in accordance with IFRS as adopted by the European Community and in accordance with the Interpretations (IFRIC) adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Slovenian Companies Act.

New standards and interpretations that have not yet entered into effect:

The standards and interpretations set out below have not yet entered into effect and have not been applied in the preparation of the financial statements as at 30 June 2022:

- IFRS 17: Insurance Contracts

The Standard is effective for annual periods beginning on or after 1 January 2021, with early application permitted provided that the entity also reports under IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. In March 2020, the IASB decided to defer the effective date of the standard until 2023. IFRS 17 Insurance Contracts therefore provides guidance on the recognition, measurement, presentation and disclosure of insurance contracts issued. At the same time, the standard requires the application of similar principles to reinsurance contracts and investment contracts with discretionary participation. The objective of the Standard is to ensure that entities include relevant information in presentations in a manner that faithfully reflects those contracts. Users of financial statements use that information to assess the effect of contracts within the scope of IFRS 17 on the entity's financial position, financial performance and cash flows. The standard has not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IFRS 17 Insurance Contracts (Amendments), IFRS 4 Insurance Contracts (Amendments)

The amendments to IFRS 17 are effective for annual periods beginning on or after 1 January 2023 and should be applied retrospectively by entities. Early application of the amendments is permitted. The amendments are intended to make it easier for entities to apply IFRS 17. In particular, the amendments simplify some of the requirements of the standard and reduce the associated costs for an entity, provide an easier explanation

of its financial performance and simplify the transition to the new standard by delaying the effective date until 2023, while providing additional relief for the first adoption of IFRS 17.

The amendments to IFRS 4 change the specified expiry date of the temporary relief in IFRS 4 Insurance Contracts from the application of IFRS 9 Financial Instruments. As a result, entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 17 have not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sales or contributions of assets between an investor and its associate/joint Venture
The amendments address a known inconsistency between the requirements of IFRS 10 and those of IAS 28 in the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main effect of the amendments is that an entity recognizes the full amount of the gain or loss when the transaction involves a business (whether or not it is located in a subsidiary). For transactions in assets that do not involve a business, only a portion of the gain or loss is recognized even when the assets are located in a subsidiary. In December 2015, the IASB postponed the effective date of the standard indefinitely, pending the results of the research project on the equity method of accounting for assets. The amendments to the standard have not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
The amendments are effective for annual periods beginning on or after 1 January 2022. Early application of the amendments is permitted. In response to the Covid-19 coronavirus pandemic, the IASB delayed the effective date by one year, to 1 January 2023, to provide entities with sufficient time to make any changes to the classification of liabilities as a result of the amendments to the standard. The amendments are intended to assist entities in deciding whether to classify debt and other liabilities with uncertain settlement dates as current or non-current liabilities in the statement of financial position, thereby providing greater consistency in complying with the requirements of the standard. The amendments affect the presentation of liabilities in the statement of financial position but do not change the existing requirements relating to the measurement or recognition period of either assets, liabilities, revenue or expenses or the disclosures about those items. The amendments also clarify the requirements related to the classification of debt that an entity may settle by issuing its own equity instruments. In November 2021, the IASB issued an Exposure Draft (ED) that clarifies how an entity treats liabilities that are subject to covenants that are due to be met at a date after the reporting period.

In particular, the IASB proposes a limited scope of amendments to IAS 1 that effectively repeal the 2020 amendments that require an entity to classify as current liabilities the obligations related to the covenants that are not required to be met until within the next twelve months after the reporting period if it is not meeting them at the end of the reporting period.

Instead, the proposed amendments require an entity to present separately and make additional disclosures about any non-current liabilities that have associated covenants that it is not required to fulfil until within the next 12 months after the reporting period if it is not meeting them at the end of the reporting period.

The proposed amendments are effective for annual periods beginning on or after 1 January 2024 and, in accordance with the requirements of IAS 8, an entity shall apply them retrospectively. Early application of the amendments is permitted. The IASB also proposed to defer the effective date of the amendments from 2020, which means that an entity does not need to change its existing practice before the proposed amendments

become effective. Management has assessed the impact of the standard and does not consider that it has a material impact on the Group's financial statements.

- IAS 1 Presentation of Financial Statements and Position 2 of IFRS: Disclosures of Accounting Policies (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. The Amendments provide guidance for assessing materiality in the disclosure of accounting policies. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. The Framework also provides guidance and illustrative examples to assist in applying the concept of materiality in assessing the disclosure of accounting policies. The amendments to the Standard have not yet been approved by the EU. Management has assessed the impact of the Standard and does not consider it to have a material impact on the Group's financial statements.

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements to IFRS Standards 2018–2020 (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application of the amendments is permitted. The IASB has issued the following limited amendments to IFRS Standards:

- The amendments to IFRS 3 Business Combinations are intended to update the reference in IFRS 3 to the underlying framework of financial reporting standards, but do not change the accounting requirements for accounting for business combinations.
- The amendments to IAS 16 Property, Plant and Equipment prohibit an entity from deducting from the cost of property, plant and equipment the proceeds from the sale of products during the period in which the asset is being prepared for its intended use. An entity shall recognize the proceeds from the sale and the related costs in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) The Amendments specify the costs that an entity considers in determining the cost of completing a contract when deciding whether the contract is onerous.
- The Annual Improvements to IFRS Standards 2018–2020 make some minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples to IFRS 16 Leases.

The updated standards have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)

The amendments to the standard are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. The amendments address changes in accounting policies and accounting estimates at or after the beginning of the period and define accounting estimates as monetary amounts in financial statements that have measurement uncertainty associated with them. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and corrections of errors. The amendments to the standard have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. In May 2021, the IASB issued amendments to IAS 12 to restrict the application of the initial recognition exemption under IAS 12 and to specify how an entity should account for deferred tax on certain transactions, such as leases and decommissioning liabilities. Under the amendments, the

exception does not apply to transactions for which the taxable amount at initial recognition is equal to the amount of deductible temporary differences. The exception applies only if, upon the recognition of the leased asset and the related liability (or the liability in connection with the decommissioning and decommissioning of a component of the asset), the taxable amount is not equal to the amount of the deductible temporary differences. The amendments to the standard have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

11.2.2 Basis for measurement

The financial statements were drawn up considering the historical cost or amortized cost, except in the following cases where fair value was used:

- derivative financial instruments,
- financial assets at fair value through profit or loss,
- financial assets at fair value through other comprehensive income,

The methods used in measuring fair value are described in note 11.4.

11.2.3 Functional and presentation currency

The financial statements in this report are presented in euro (EUR), excluding cents. Due to rounding of figures, there may be insignificant discrepancies in the totals in the tables.

11.2.4 Use of estimates and assessments

When preparing the financial statements, the management of the Parent Company is required to make certain estimates and assumptions, which affect both the carrying value of the assets and liabilities of the Datalab Group and the reported revenue and expenses.

The valuation includes, inter alia, the determination of the useful lives and remaining values of property, plant and equipment, intangible fixed assets, accounts receivable and assumptions relevant to the actuarial calculation relating to long-term employee benefits. Notwithstanding the fact that the Parent Company's management carefully considers all factors that may affect these assumptions in making the assumptions, it is possible that the actual consequences of events may differ from those estimated. Therefore, judgement should be exercised in making accounting estimates, taking into account possible changes in the business environment, new business developments, additional information and experience.

Information about material estimates of uncertainty and critical assessments made by the Parent Company's management when preparing the financial statements relates to:

Leases (Note 11.18)

The Group has made the following accounting assessments that have a material impact on the determination of the amount of right to use and lease liabilities:

- Identification of non-lease contracts: the Group identifies a contract as a lease contract if it gives the Group the right to control the leased asset. The Group controls the asset if it has the right to use the asset and the right to the economic benefits that arise from the use of the asset.
- Determining the lease term: the Group determines the lease term as the period during which the lease cannot be terminated, together with:
 - The period for which the option to extend the lease applies, if it is reasonably certain that the option will be exercised;
 - The period for which the option to cancel applies, if it is reasonably certain that the option will not be exercised.

The lease term is not specified in most of the contracts and the Group makes an estimate based on its assessment of the needs for the use of each asset. This takes into account plans, current conditions (such as the impact of the new coronavirus) and the Group's long-term business policies.

- Determination of the discount rate: the discount rate is set at the interest rate at which the Group can obtain comparable assets in the market.

Revenue and assets from contracts with customer (note 11.7)

Revenue from contracts with customers is recognized based on the terms of the individual sales contract with the customer at the time when control of the goods and services is transferred to the customer and in an amount that reflects the consideration. Revenue from contracts with customers is recognized at the fair value of the consideration received or receivable thereon, less returns, rebates and volume discounts. Revenue is recognized when the customer has taken control of the benefit from the services supplied.

Impairment testing of financial investments – short-term loans (note 11.25)

All financial investments in loans are subject to impairment testing. If it appears that the subsidiaries to which the parent company grants a loan will not repay the loan at the contractual value, an appropriate value adjustment is made.

Impairment testing of receivables (note 8.11)

At the time of preparation of the financial statements, Datalab Group provides for an adjustment or impairment of receivables that are not expected to be settled in full or at all. The adjustment is calculated using a uniform methodology applicable to the Datalab Group and is based on the probability or estimate of customer default. The methodology primarily involves the regular repayment of receivables, i.e. cash flow. Receivables that are more than 60 days past due require a more detailed analysis of the customer (review of correspondence: emails regarding repayments, confirmed outstanding items forms, reasons for irregular payments, discussions with the Sales Director, etc.). On the basis of the analysis, the probability and value of repayment is determined and adjustments for receivables are made for each customer.

Impairment testing of other assets

Information about material estimates of uncertainty and critical assessments

- Note 11.19 – Intangible assets
- Note 11.20 – Non-current financial investments and business combinations
- Note 11.23 and 11.16 – Deferred tax assets
- Note 11.41 – Financial Instruments
- Note 11.17 and 11.18 and accounting policies (chapter 11.3, paragraphs 11.3.11 and 11.3.12) – useful lives for depreciable assets

Employee post-employment benefits (note 11.33)

The present value of severance payments and long-service rewards is recorded as liabilities for employee post-employment benefits. They are recognized in the context of actuarial calculations which, due to changes in the future, may differ from the actual assumptions that will be in place at that time. This relates mainly to the determination of the discount rate, employee turnover estimates, mortality estimates and salary growth estimates. The liabilities for post-employment benefits are sensitive to changes in these estimates due to the complexity of the actuarial calculation and the long-term nature of the item.

Provisions for lawsuits and contingent liabilities

Provisions for legal actions and other provisions are recognized when, as a result of a past event, a group entity has legal or indirect liabilities that can be measured reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the liability. Contingent liabilities are not recognized in the financial statements because their actual existence will be confirmed by the occurrence or non-occurrence of events only in the unpredictable future, which is beyond the control of Datalab Group. The Parent Company's management regularly reviews whether it is probable that an outflow of resources embodying economic benefits will be required to settle a liability. If it becomes probable, the contingent liability is reclassified to a provision in the financial statements at that point in time.

11.2.5 Financial year

Financial year of the Datalab Group is not the same as the calendar year and starts on 1 July and runs until 30 June.

11.3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Group for all periods presented in the accompanying financial statements.

Except as disclosed in the notes to the financial statements, the Company has not changed its accounting policies from the previous year.

a) New standards and related notes effective from 1 January 2021

The accounting policies applied by the Group in the preparation of its financial statements are the same as those applied in the preparation of the financial statements of the previous financial year. The exceptions are the newly adopted or revised standards and the related notes adopted by the Datalab Group for the annual periods beginning on or after 1 January 2021, which are described below:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

The International Accounting Standards Board (IASB) published the second part of the interest rate benchmark reform, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to the reform of interbank offered rates (IBORs). The amendments include a temporary exemption from reporting the financial effects of replacing IBORs with an alternative, almost risk-free rate (RFR). The Amendments allow entities to apply a practical expedient in accounting for changes in the basis for determining the contractual cash flows of a financial asset or liability, whereby an entity must adjust the effective interest rate to be equivalent to the movement in the market interest rate. In addition, they permit entities to apply certain generalizations about the discontinuation of hedge accounting, including a temporary exemption from the unbundling requirement, to hedging relationships in which an alternative interest rate reference has been designated as a non-contractually determined component of the risk.

The amendments had no impact on the Group's financial statements.

Amendments to IFRS 7 – Financial Instruments

Financial Instruments require a company to make disclosures that enable users of the financial statements to understand the effect of the benchmark interest rate reform on the company's financial instruments and its risk management strategy. The company shall apply the amendments retrospectively, without restating the information for prior periods.

The amendments had no impact on the Group's financial statements.

Amendment to IFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

The amendments to the Standard are effective for annual periods beginning on or after 1 April 2021. Early application is permitted even in financial statements that have not been authorized for issue at the date of publication of the

amendments to the standard. In March 2021, the IASB amended the conditions for applying the practical expedient in IFRS 16, which allows a lessee not to treat lease adjustments that arise as a direct result of Covid-19 pandemic according to the guidance in IFRS 16. An entity may take advantage of this relief in the treatment of a lease adjustment, with an individual reduction affecting only payments that would have been originally due on or before 30 June 2022, provided that all the conditions for applying the practical expedient are met.

The amendments had no impact on the Group's financial statements.

11.3.1 Basis for consolidation

The consolidated financial statements of the Group include the financial statements of the parent company and subsidiaries.

11.3.2 Business combinations

Business combinations are accounted for using the acquisition method at the date of the combination, which is the same as the acquisition date or when the Group obtains control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Assets and liabilities acquired are recognized in the group financial statements at fair value at the date of acquisition. The excess of the purchase consideration over the net fair value of the assets acquired is recorded within intangible fixed assets as goodwill. The Group measures goodwill at the fair value of the purchase consideration transferred plus the recognized value of any non-controlling interest in the acquiree plus the fair value of any existing equity interest in the acquiree (step combination), less the net recognized value of the assets acquired and liabilities assumed, valued at the acquisition date. After initial recognition, the Datalab Group reviews annually whether there are any factors that could adversely affect the future cash flows of the cash-generating unit acquired in the business combination. If the excess on the business combination is negative, the effect is recognized directly in the profit or loss statement as bad will. Acquisition costs, other than costs associated with the issue of equity or debt instruments, incurred in connection with a business combination, are recognized in profit or loss as incurred.

Contingent liabilities in business combinations are recognized at fair value at the acquisition date. The recognition of a contingent liability occurs when the acquirer and the seller agree that the consideration for the acquisition contains certain contingent consideration elements (for example, the acquiree achieves a specified level of profit, a specified share price, etc.). IFRS 3 requires the total consideration, together with any contingent consideration arrangements, to be recognized and measured at fair value at the acquisition date. Subsequent changes in that fair value may affect the measurement of goodwill only if they occur within the measurement period (up to one year after the acquisition date) and are the result of new information about facts and circumstances existing at the acquisition date. Subsequent changes in the fair value of the contingent liability are recognized in profit or loss by Datalab Group. A contingent liability that is a financial instrument and is classified as either an asset or a liability is measured at fair value with changes in fair value recognized in profit or loss.

11.3.3 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing influence, the existence and effect of potential voting rights that are currently exercisable or exchangeable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been modified or adjusted, as appropriate, to those of the Group.

Datalab Group structure

Subsidiaries

Name and registered office	Short title	Status	Included in consolidation
Datalab Tehnologije d.d., Slovenia	DATALAB d.d.	parent company	YES
Datalab SR d.o.o., Serbia	DATALAB SR	subsidiary	YES
Datalab BA d.o.o., Bosnia and Herzegovina	DATALAB BA	subsidiary	YES
Datalab MK d.o.o., North Macedonia.	DATALAB MK	subsidiary	YES
Datalab SI d.o.o., Slovenia **	DATALAB SI	subsidiary	YES
Datalab HR d.o.o., Croatia	DATALAB HR	subsidiary	YES
Datalab Ukraine LLC*	DATALAB Ukraine	subsidiary	NO (excluded)

* Datalab Ukraine LLC has been excluded from the consolidated financial statements. The company is dormant and not a going concern and is awaiting an appropriate time to sell its investment.

Affiliated companies

Name and registered office	Short title	Status	Included in consolidation
Datalab Bulgaria Ltd, Bulgaria	DATALAB BG	affiliated company	NO
Datalab LLC, Kosovo	DATALAB KS	affiliated company	NO
Datalab AL Sh.p.k., Albania	DATALAB AL	affiliated company	NO

11.3.4 Transactions exempt from consolidation

Balances, unrealized gains and losses arising from intra-group transactions are excluded in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with jointly controlled entities are excluded only to the extent of the Group's interest in that entity. Unrealized losses are excluded in the same way as gains provided that there is no evidence of impairment.

11.3.5 Foreign currency

Foreign currency is converted into euros by the exchange rate on the day of making business.

11.3.6 Transactions in foreign currency

Transactions denominated in a foreign currency are translated into the respective functional currency of the Group companies at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated into the functional currency at the then prevailing exchange rate. Exchange differences, whether positive or negative, are the differences between the amortized cost in the functional currency at the beginning of the period, adjusted for the amount of effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated into the functional currency at the exchange rate at the date the fair value is determined. Exchange differences are recognized in the profit or loss statement, but this does not apply to differences arising on the translation of equity instruments classified at fair value through comprehensive income, to non-financial liabilities designated as hedges or to cash flow hedges that are recognized directly in equity.

11.3.7 Companies abroad

Assets and liabilities abroad, including goodwill and fair value adjustments on acquisition, are translated into EUR at the exchange rate at the balance sheet date. Revenue and expenses of foreign operations are translated into EUR at the rates ruling at the dates of translation.

The revenue and expenses of foreign operations in hyperinflationary economies are translated into EUR at the exchange rate prevailing at the balance sheet date. Before the financial statements of foreign operations in hyperinflationary economies are translated, the financial statements for the current year are restated to take account of changes in the general purchasing power of the domestic currency. The translation is based on the price indices prevailing at the balance sheet date.

Exchange differences arising from translation are recognized directly in equity. From the date of transition to IFRSs, these changes are recognized in the foreign currency translation reserve (FCTR). On disposal of a foreign operation (in whole or in part), the amount in the translation reserve is transferred to the profit or loss statement.

Foreign exchange gains and losses arising from a monetary item in the form of a receivable from or payable to a foreign operation, for which payment is not planned or expected in the foreseeable future, are treated as part of the net investment in the foreign operation and recognized directly in equity and in the translation reserve.

The exchange rates used to translate items in the statement of comprehensive income of group companies that are denominated in a foreign currency:

1 EURO=1.95583 KM
 1 EURO=7.5244 HRK
 1 EUR=61.5978 MKD
 1 EUR=117.5850 RSD

The exchange rates used to translate items in the statement of financial position of group companies that are denominated in a foreign currency:

1 EURO=1.955830 KM
 1 EURO=7.5307 HRK
 1 EUR=61.6810 MKD
 1 EURO=117.5400 RSD

11.3.8 Financial assets and financial liabilities

Upon their recognition, the Datalab Group classifies financial assets/liabilities into the following groups:

- a) Financial assets/liabilities measured at amortized cost,
- b) Financial assets/liabilities at fair value through other comprehensive income; and
- c) Financial assets/liabilities at fair value through profit or loss.

Financial assets

The classification of financial assets depends on the business model chosen to manage the assets and whether the Company derives contractual cash flows from financial instruments solely from payments of principal and interest on the outstanding principal amount. Financial assets are initially recognized on the date of exchange or when the Company becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when the Group transfers the rights to the contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are transferred. Except for operating receivables, which do not contain a significant financing component, upon initial recognition the Company measures the financial asset at fair value plus transaction costs.

Depending on their maturity, they are classified as either short-term financial assets (maturity up to 12 months after the statement of financial position date) or long-term (non-current) financial assets (maturity over 12 months after the statement of financial position date).

Financial assets at fair value through profit or loss include:

- Financial assets held for trading;
- Financial assets at fair value through profit or loss; and
- Financial assets that an entity is required to measure at fair value.

Financial assets held for trading are financial assets acquired with an intent to sell or repurchase them in the foreseeable future. Derivative financial instruments are classified as held-for-trading financial assets, except in the case of effective hedging instruments. Financial assets that generate cash flows other than solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model chosen.

Financial assets at fair value through profit or loss are recognized at fair value in the statement of financial position, including the net change in fair value recognized in the profit or loss statement. This group also includes derivatives and quoted investments that are not irrevocably classified by the Company as at fair value through other comprehensive income. Dividends on listed equity investments are recognized as other revenue in the profit or loss statement when the Company's right to receive payment is established. The Company's financial assets at fair value through profit or loss comprise mainly unrealized and valued derivative financial instruments at the reporting date. The Group has no financial assets allocated to this group.

Financial assets measured at fair value through other comprehensive income that have the nature of a debt instrument are those financial assets that the Group holds within a business model for the purpose of generating contractual cash flows that represent solely payments of principal and interest on the principal outstanding and for sale. The Group has no financial assets allocated to this group.

Financial assets at fair value through other comprehensive income that have the characteristics of an equity instrument are those financial assets that meet the definition of equity in accordance with IAS 32 Financial Instruments and that the entity has elected to designate irrevocably as equity instruments at fair value through other comprehensive income and that are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are not reclassified to the profit or loss statement but are recognized in retained earnings. Dividends on equity instruments are recognized as other revenue in the profit or loss statement when the company's right to receive payment is established. The Group has no financial assets allocated to this group.

The Company classifies financial assets at amortized cost as financial assets that it holds as part of a business model to generate contractual cash flows and where the cash flows represent solely payments of principal and interest on the principal outstanding. Financial assets at amortized cost are initially recognized at fair value plus direct transaction costs. After the initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses. Gains and losses are recognized in profit or loss when the change is reversed or impaired.

Interest revenue is recognized at actual interest rates because management estimates that the effect to the effective interest rate is immaterial to the fair presentation of the financial statements. The Group classifies loans, receivables and unquoted debt securities as financial assets at amortized cost.

Financial liabilities

Financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The effective interest rate is the rate at which a debt instrument is carried at amortized cost and interest revenue/expense is consistently allocated over the life of the instrument. The effective interest rate is the rate that exactly discounts estimated cash inflows/outflows (including any loan origination costs, premiums/discounts and the like) over the expected life of the debt instrument to its net present value at the time of initial recognition.

The Group does not use the effective interest rate method, but allocates borrowing costs, if significant, to expense on a straight-line basis based on the expected repayment period of the loan; if they are not significant, it recognizes them as an expense over the period of the loan. Management believes that this is a reasonable approximation of the effective interest rate.

Financial liabilities measured at amortized cost include all operating liabilities (to suppliers and others) and loans received.

Financial liabilities are classified as non-current liabilities, except for liabilities or part of liabilities with a maturity of less than 12 months after the balance sheet date. Such liabilities are recorded as current liabilities. Operating liabilities are measured at initial recognition at the amounts recognized in the respective documents evidencing the receipt of a product or service, or work performed, or an expense charged to profit or loss.

The Company derecognizes a liability when, and only when, the liability is settled, cancelled or expires. The difference between the carrying amount of the derecognized financial liability and the consideration paid shall be recognized in profit or loss statement.

Derivative financial instruments are initially recognized at fair value. Transaction costs are recognized in profit or loss as incurred. After their initial recognition, derivatives are measured at fair value with the related changes taken into account as described below.

When a derivative is designated as a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or to highly probable forecast transactions that could affect profit or loss, the effective portion of the changes in the fair value of the derivative is recognized in other comprehensive income for the period and disclosed in the hedging reserve. The ineffective portion of changes in the fair value of the derivative is recognized directly in profit or loss. The Group expects to discontinue hedge accounting if the hedging instrument no longer meets the criteria for hedge accounting or if the hedging instrument is sold, terminated or exercised. The cumulative gain or loss recognized in other comprehensive income remains in the hedging reserve until the forecast transaction affects profit or loss. If the forecast transaction is no longer expected to occur, the amount in other comprehensive income shall be recognized directly in profit or loss. Otherwise, the amount recognized in other comprehensive income shall be reclassified to profit or loss in the same period in which the hedged item affects profit or loss.

The effects of other derivative financial instruments that are not designated as hedges of exposure to variability in cash flows or that are not attributable to a specific risk associated with a recognized asset or liability are recognized in profit or loss.

The Group does not have any designated financial instruments for hedging.

Investments in affiliated companies and jointly controlled entities

Affiliated companies are companies in which the Company has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are entities whose economic activities are under the common control of the Company and which have been formed under a contractual arrangement that requires unanimous financial and operating decisions.

The Group has no investments in jointly controlled entities. Investments in affiliated companies are accounted for using the equity method in the consolidated financial statements.

11.3.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits.

The accounting of financial revenue and expenses is described in paragraphs 8.13 and 8.14.

11.3.10 Share capital

Called-up capital

The called-up capital of the parent company Datalab d.d., Ljubljana appears as share capital, which is nominally defined in the company's articles of association, registered with the court and paid up by its owners. Dividends on ordinary shares are recognized in equity in the period in which they have been approved at a general meeting.

Reserves for own shares

If the parent company or its subsidiaries purchase an ownership interest in the parent company, the amount paid, including transaction costs minus tax, is deducted from the total capital as own shares until those shares are retired, reissued or sold. If the own shares are later disposed of or reissued, any consideration received minus transaction costs and related tax effects shall be included in equity.

11.3.11 Property, plant and equipment and right of use

Tangible fixed assets (property, plant and equipment) are stated at cost less accumulated depreciation and accumulated impairment losses, except for land, which is stated at cost less any impairment. Cost includes costs directly attributable to the acquisition of an item of property, plant and equipment. Maintenance and repairs, replacements and minor improvements are recognized as an expense in the period in which they arise. Major renewals are depreciated over the remaining useful life of the related asset or to the date of the next major renewal, whichever is earlier. The remaining values and useful lives of the assets are reviewed annually and, if necessary, revised. The carrying amount of the asset is written down immediately to its recoverable amount, if the carrying amount of the asset is greater than the estimated recoverable amount, and is recognized in profit or loss.

For leases previously classified as operating leases, the Company recognized the assets, which represent the right-of-use assets, and liabilities arising from leases. The value of the right of-use of leased assets and lease liabilities are estimated by discounting the future cash flows over the lease term (due to a contract where the lease term is not specified, a management estimate of 5 years has been used). The cash flows are discounted at an interest rate (ranging from 2% to 3.9%). Depreciation expense is calculated using depreciation rates estimated on the basis of the remaining term of the leases.

Depreciation is calculated using the straight-line method, taking into account the useful lives of tangible assets, as follows:

Asset description	Depreciation rates in % since 1 July 2020	Depreciation rates in % before 30 June 2020
Plants	3	3
Computers	20–50	20–50
Furniture and chairs	20	20
Rolling stock equipment	12,5–20	20
Other equipment	10–30	10–30

Depreciation is charged when the asset is available for use, which is why construction in progress is not depreciated.

Gains and losses upon sale or disposal are determined by comparing the proceeds from the sale with the carrying amount. These are included in the profit or loss statement.

11.3.12 Intangible assets

An intangible asset is an asset that is used to produce or provide goods or services in the long term but does not physically exist. The Group recognizes material rights and copyrights as intangible assets. The PANTHEON program is the largest part of the Group's intangible assets.

Intangible assets are initially measured at cost. The cost of the PANTHEON program developed within the Group is represented by the capitalization of the costs of its development. The estimated depreciation period of the asset is 10 years.

The capitalization of PANTHEON program includes the salary costs of the staff involved in its development, as well as the services of external collaborators and minor material costs related to the development of the PANTHEON program. Once the program is developed and operational, it no longer requires maintenance, but in the event that a program feature needs to be added either at the request of a customer (program upgrade) or that a program change relates to a change in legislation and standards, this does not fall under the ongoing maintenance of the program, but under the development function, which is why any such costs are capitalized and not included directly as expense.

The Group measures goodwill at the fair value of the purchase consideration transferred plus the recognized value of any non-controlling interest in the acquiree plus the fair value of any existing equity interest in the acquiree (step combination), less the net recognized value of the assets acquired and liabilities assumed, valued at the acquisition date. After initial recognition, the Datalab Group reviews annually whether there are any factors that could adversely affect the future cash flows of the cash-generating unit acquired in the business combination. If the excess on the business combination is negative, the effect is recognized directly in the profit or loss statement as badwill. Acquisition costs, other than costs associated with the issue of equity or debt instruments, incurred in connection with a business combination, are recognized in profit or loss as incurred.

Contingent liabilities in business combinations are recognized at fair value at the acquisition date. The recognition of a contingent liability occurs when the acquirer and the seller agree that the consideration for the acquisition contains certain contingent consideration elements (for example, the acquiree achieves a specified level of profit, a specified share price, etc.). IFRS 3 requires the total consideration, together with any contingent consideration arrangements, to be recognized and measured at fair value at the acquisition date. Subsequent changes in that fair value may affect the measurement of goodwill only if they occur within the measurement period (up to one year after the acquisition date) and are the result of new information about facts and circumstances existing at the acquisition date. Subsequent changes in the fair value of the contingent liability are recognized in profit or loss by Datalab Group.

The Group has no intangible assets with indefinite useful lives.

Subsequent costs

Subsequent costs related to intangible assets are capitalized only when they increase the future economic benefits arising from the asset to which the expense relates. All other costs, including intra-group goodwill and trademarks, are recognized in profit or loss as an expense as incurred.

Depreciation

Depreciation is calculated using the straight-line method, taking into account the useful lives of intangible assets (other than goodwill), and commences when the asset is available for use. The estimated useful lives for the current and comparative year are as follows:

Asset description	Depreciation rates in % since 1 July 2020	Depreciation rates in % before 30 June 2020
Intangible asset – PANTHEON	10	10
Material rights and copyrights	50	50
Intangible asset – customer list	12.5%	0

11.3.13 Inventories

Inventories of commercial goods are initially valued at cost, which includes the purchase price, import duties and direct acquisition costs. The purchase price is less any discounts received. Direct acquisition costs are transport costs, loading, handling and unloading costs, freight insurance costs, costs of monitoring the goods, costs for brokerage agency services and similar costs up to the first warehouse, if charged to the buyer, and non-refundable duties. Purchase price discounts include both those stated on the invoice and those obtained subsequently and relating to a particular purchase.

Decreases in the value of inventories of materials and small tools are charged to the cost of materials, while decreases in the value of inventories of goods are charged to the corresponding operating expenses. Consumption of commercial goods is accounted for using the average cost method.

The cost of inventories includes the purchase price, customs and other duties (other than those that the entity will subsequently recover from the tax authorities), freight, handling and other costs directly attributable to the commercial goods, materials or services acquired. Commercial discounts, other discounts and other similar items shall be deducted in determining the cost.

Material consumption is accounted for using the average cost method for the accounting period.

Net realizable value is the estimated selling price achieved in the ordinary course of business less estimated completion costs and estimated selling costs.

11.3.14 Impairment of assets

Financial assets

Under IFRS 9, the Group recognizes not only incurred losses but also losses that are expected to be incurred in the future. A financial asset is considered impaired if there is objective evidence that, as a result of one or more events, the expected future cash flows from that asset have decreased and can be reliably measured.

Objective evidence that financial assets are impaired may include: default or breach by the debtor; restructuring of the amount owed by others to the Group/the Company if the latter agrees; indications that the debtor will enter bankruptcy; disappearance of an active market for the instrument. In the case of an investment in equity securities, objective evidence of impairment is a significant or prolonged decline in the fair value below historical cost.

Impairment of receivables and loans granted

The Group assesses evidence of impairment of receivables either individually or collectively. All material receivables are individually measured for specific impairment. If the carrying amount of a receivable is assessed to exceed its fair value, i.e. its recoverable amount, the receivable is impaired. Receivables that are presumed to be unlikely to be settled when due or in full are considered doubtful and, if litigation has been initiated, as disputed receivables.

The impairment assessment is based on expected credit losses associated with the probability of default on receivables and loans over the next 12 months, unless the credit risk has increased significantly since initial recognition. In these cases, the impairment assessment is based on the probability of default over the expected life

of a financial instrument. Expected credit losses represent the difference between the contractual cash flows that are contractually due and all cash flows that the Group expects to receive.

Impairments for expected credit losses are assessed in two stages. For credit exposures for which there has been no significant increase in credit risk after initial recognition, impairment for expected credit losses is recognized for credit losses that result from defaults that are probable within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, the Group recognizes an adjustment for losses expected to be incurred over the remaining life of the exposure, regardless of the period of default.

Operating receivables that do not contain a significant financing component or for which the Company applies a practical expedient (contracts of one year or less) are measured at the transaction price determined in accordance with IFRS 15 less the amount of any impairment losses. For operating receivables, the Group uses a simplified approach to calculate expected credit losses. Thus, it does not monitor changes in credit risk, but recognizes an adjustment for expected credit losses over the entire life of the receivable at each reporting date. The basis for calculating the adjustment is a uniform methodology applicable to the Group based on the probability or estimate of customer default.

The Group assesses a financial asset as being in default when contractual payments are 60 days past due. In some cases, however, the Group may also assess increased credit risk if, based on the information provided, it is probable that the Group will not receive the full amount outstanding under the contract. The Group recognizes a write-off of a financial asset when it has a reasonable expectation that the contractual cash flows will not be recoverable.

The Group classifies the creation, reversal of adjustments and recoveries of written-off receivables as operating revenue and operating expenses, respectively, in the breakdown of the profit or loss statement.

The Group assesses evidence of impairment separately for each significant loan.

Non-financial assets

At each reporting date, the Group reviews the remaining carrying amount of the Group's non-financial assets, inventories and deferred tax assets to determine whether there is any indication of impairment. If such indicators exist, the recoverable amount of the asset is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In determining the value in use of an asset, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are aggregated into the smallest group of assets that generate cash inflows from continuing uses largely independent of those from other assets or groups of assets ('cash-generating units').

An impairment of an asset or cash-generating unit is recognized when its carrying amount exceeds its recoverable amount. Such impairment is recognized in profit or loss.

11.3.15 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits are measured on an undiscounted basis and are recognized as an expense when the employee's service related to the defined benefit is rendered.

A liability is recognized for the amount expected to be paid in the form of a bonus payable within 12 months after the end of the service period or a profit-sharing plan if the Group has a present legal or constructive obligation to make such payments as a result of the employee's past service and the obligation can be measured reliably.

Non-current employee benefits

The Company is legally obliged to pay long-service rewards and severance payments to employees on retirement, for which a provision is made. There are no other pension obligations.

Provisions are made for estimated future severance payments and long-service rewards, discounted at the reporting date. The calculation takes into account the cost of severance payments on retirement and the cost of any expected long-service reward until retirement. Personnel and interest costs are recognized in the profit or loss statement and the translation of post-employment benefits or unrealized actuarial gains or losses is recognized in other comprehensive income.

11.3.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

11.3.17 Assets and liabilities from contracts with customers

The Group does not recognize non-current and short-term assets from contracts with customers (IFRS 15), but it does recognize short-term liabilities from contracts with customers for deferred revenue from upgrade contracts that are contractually billed on an annual basis. Revenue is deferred according to the share attributable to the financial year.

11.3.18 Revenue

Revenue from contracts with customers is recognized based on the terms of the individual sales contract when control of the goods or services passes to the customer in an amount that reflects the consideration to which the Group believes it will be entitled in exchange for those goods or services. Control over the goods or services depends on the terms of the sales contract, and the transfer generally occurs when the goods are accepted by the buyer or the services are rendered.

The Group assesses whether the contract contains other promises that are separate performance obligations to which it should allocate a portion of the transaction price. In determining the transaction price of the products sold, the Group considers the effects of variable consideration and the existence of significant financing components in the contract.

If the contractual consideration is variable, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The limited variable consideration that the Group estimates at the inception of the contract remains limited until it is no longer probable that there will be a material reduction in the amount of total revenue recognized and the uncertainty associated with the variable consideration is subsequently eliminated. Under certain contracts for the sale of products, customers have the right to refunds and bonuses and volume discounts. The right to refunds, bonuses and volume discounts results in variable consideration.

In some cases, the Group receives short-term advances from its customers. Based on the practical expedient in paragraph 63 of IFRS 15, it does not adjust the amount of consideration promised for the effects of a significant financing component because, at the inception of the contract, it expects the period from the transfer of the promised good or service to the customer until the consideration for that good or service is paid to be less than one year.

Revenue from the sale of products

Revenue from the sale of products is recognized at the fair value of the consideration received or receivable, less returns, resale allowances and volume discounts. Revenue is recognized when the buyer has assumed all significant risks and rewards of ownership of the asset, there is certainty that the consideration and related costs will be recoverable or that the products will be returned, the Group has ceased to make any further decisions about the products sold and the amount of revenue can be measured reliably.

The transfer of risks and rewards depends on the individual terms of the sales contract. In the case of the sale of goods, the transfer usually takes place after the goods have arrived at the buyer's warehouse, but in some international shipments the transfer takes place when the goods are loaded onto the means of transport.

Revenue from services rendered

Revenue from services rendered is recognized in the profit or loss statement based on the stage of completion of the transaction at the reporting date, which is determined using the input method (progress towards meeting the performance commitment is determined by direct comparison of the level of inputs of the organization). The stage of completion is assessed by reviewing the work performed.

The majority of the Group's revenue is generated from the sale of licenses and upgrade contracts, user 's (hosting) subscriptions and the ServiceDesk quick-response service. Revenue from the sale of licenses is fully recognized at the time the sales contract is entered into, while, as from 1 July 2018, revenue from upgrade contracts is deferred to the period to which it relates in accordance with IFRS 15.

For the purpose of revenue recognition under IFRS 15, the license agreement and the first upgrade contract entered into at the same time are treated in accordance with IFRS 15.17 because they were entered into by the Company with the same customer at (almost) the same time, with a single commercial objective. As an upgrade contract is typically entered into for a period of 1 year, the Company applies the practical expedient in IFRS 15.94 to the first upgrade contract, so that the costs of obtaining both contracts (agent/partner fees) are recognized as incurred, i.e. at the inception of the contract.

Revenue from leases

Revenue from leases of investment property is recognized in revenue on a straight-line basis over the lease term. Any incentives granted in relation to leases are recognized as a component of total revenue from leases.

Government grants

Government grants are initially recognized in the financial statements as deferred revenue when there is reasonable assurance that the Group will receive the grants and that it will comply with the conditions attached to them. Government grants received for the purpose of defraying costs are recognized as income on a strictly consistent basis in the periods in which the related costs to be defrayed are incurred. Asset-related government grants are recognized in the profit or loss statement on a strictly consistent basis within other operating revenue over the useful life of the asset. The Group does not recognize salary allowances (sickness, nursing, etc.) as revenue but as a reduction of labor costs.

11.3.19 Financial revenue and financial expenses

Financial revenue includes interest revenue on investments, dividend revenue, proceeds from the disposal of financial assets, changes in the fair value of financial assets and liabilities at fair value through profit or loss and gains on hedging instruments recognized in profit or loss. Interest revenue is recognized in profit or loss when it arises, if material, using the effective interest method. Dividend revenue is recognized in profit or loss on the date on which the shareholder's right to receive payment is established, which for listed entities is generally the date on which the right to receive the current dividend ceases to be associated with the share.

Financial expenses include borrowing costs, differences from recalculating the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses on financial assets and losses on hedging instruments recognized in the profit or loss statement. Borrowing costs are recognized in the profit or loss statement, if significant, using the effective interest method.

Foreign exchange gains and losses are reported net.

11.3.20 Income tax expense

Tax on profit or loss for the year includes current and deferred tax. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items that are recognized directly in equity and are therefore recognized in equity.

Current tax is the tax (on income) expected to be payable on taxable profits for the financial year, using tax rates effective or substantively effective at the reporting date and any adjustment to tax liabilities in respect of previous financial years.

Deferred tax is accounted for using the balance sheet liability method, taking into account temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts for tax reporting purposes. The following temporary differences are not taken into account: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Furthermore, deferred tax is not recognized for taxable temporary differences on initial recognition of goodwill. Deferred tax is recognized to the extent that it is expected to be payable when the temporary differences reverse, based on laws enacted or substantively enacted at the reporting date. The Group offsets deferred tax assets and liabilities when it has a legally enforceable right to set off recognized tax assets and liabilities and they relate to income taxes payable by the same taxing authority in respect of the same taxable entity; or different taxable entities that intend either to settle the tax assets and liabilities with the difference or to recover the assets and settle the liabilities simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be used in the future. Deferred tax assets are decreased by the amount for which it is no longer probable that the tax benefit associated with the asset will be available.

11.3.21 Earnings per share (EPS)

For ordinary shares, the Group reports basic and diluted earnings per share. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year. Diluted earnings per share, in turn, is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year for the effect of any dilutive potential ordinary shares representing convertible bonds and employee share options.

11.3.22 Reporting by segments

A segment is an identifiable component of a group that is engaged in the business of providing products or services (operating segment) or products and services in a particular economic environment (geographical segment) and is subject to risks and rewards that are different from those of other segments. Segment information is presented by the Group's operating segments and geographical segments. The Group's segment reporting is based on its operating segments. The Group's business segments are based on the Group's management and its internal reporting structure.

Inter-segment transfer prices are measured on an arm's length basis.

Segment profit or loss, assets and liabilities include items that are directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis. Unallocated items mainly relate to: investments (other than investment property) and related revenue, loans granted and received and related expenses, total assets (mainly head office) and head office expenses, and income tax receivables and payables.

The segment's investment in long-term assets includes the total costs incurred in the current financial year for the acquisition of property, plant and equipment and intangible assets, excluding goodwill.

11.4 Fair value measurement

In many cases, the Group's accounting policies and breakdowns require the determination of the fair value of both financial and non-financial assets and liabilities. The Group has determined the fair values of each class of assets for measurement or reporting purposes using the methods described below. Where additional explanatory information is required regarding the assumptions used to determine fair values, such information is provided in the breakdowns of the Group's individual assets or liabilities.

Fair value hierarchy

The following hierarchy has been applied in recognizing and disclosing the fair value of financial instruments using a valuation technique:

- **Level 1:**
Determining fair value directly by reference to an officially published price in an active market.
- **Level 2:**
Other methods for determining fair value based on assumptions that have a significant effect on fair value and that are consistent with observable current market transactions in the same instruments, either directly or indirectly.
- **Level 3:**
Other methods for determining fair value based on assumptions that have a significant effect on fair value and are not consistent with observable current market transactions in the same instruments.

11.4.1 Tangible fixed assets

The fair value of property, plant and equipment from business combinations is their market value. The market value of property is the estimated value at which the property could be exchanged, at the date of valuation and after appropriate marketing, in an arm's length transaction between a willing seller and a willing buyer, the parties being well informed and acting reasonably, without compulsion and independently. The market value of plant, equipment and inventories is based on the offered market price of similar items.

11.4.2 Intangible assets

The fair value of patents and trademarks acquired in business combinations is based on the estimated discounted future value of the royalties that will not be required to be paid as a result of owning the patent or trademark. The fair value of other intangible assets is determined by taking the current value of the estimated future cash flows expected to arise from their use and eventual sale.

11.4.3 Operating and other receivables

The fair value of operating and other receivables is calculated as the present value of future cash flows, discounted at the market interest rate at the reporting date.

11.4.4 Non-derivative financial liabilities

For reporting purposes, fair value is calculated based on the present value of future payments of principal and interest, discounted at the market interest rate at the reporting date. For finance leases, the market rate is determined by comparison with similar lease contracts.

11.5 Financial risk management

The Group does not use financial instruments for hedging. The Group assesses financial risks in the following groups:

- Credit risk
- Liquidity risk
- Market risk

This chapter discusses the Group and its exposure to each of these risks, its objectives, policies and processes for measuring and managing risks, and its capital management. Other quantitative disclosures are included later in the notes to the financial statements.

Management is fully responsible for establishing the Group's risk management framework. The implementation of activities related to risk management is monitored by the finance, accounting and controlling departments and reported to the CEO.

Risk management guidelines are designed to identify and analyze the risks that the Group is facing, which are used to set appropriate limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are regularly reviewed to provide up-to-date information on changing market conditions and the Company's activities. Using training as well as risk management standards and procedures, the Group aims to develop a disciplined and constructive environment in which all employees are aware of their roles and responsibilities.

The Board of Directors ensures compliance with risk management policies and procedures and assesses the adequacy of the risk management framework in relation to the risks that the Group is facing.

11.5.1 Credit risk

Credit risk is the risk for the Group to incur a financial loss if a party or counterparty to a financial instrument contract fails to meet its contractual obligations. Credit risk arises primarily from the Group's receivables from customers and investment securities.

Operating and other receivables

The Group's exposure to credit risk depends mainly on the characteristics of individual customers. The demographic factors of the Group's customer base and the payment risk from the perspective of the industry or country in which the customer operates have no significant impact on credit risk. Geographically speaking, there is no concentration of credit risk.

The Group has a credit policy to subject each new customer to a creditworthiness analysis before the Group offers standard payment and delivery terms. The review includes external assessments, if any, and in some cases bank references. Purchase limits – to be set in the form of a maximum outstanding amount not subject to confirmation – are established on a customer-by-customer basis. Customers who do not meet the Group's creditworthiness standards are required to make advance payments.

The Group makes an impairment adjustment representing the amount of estimated losses on operating and other receivables and investments. The main components of this adjustment are the specific portion of the loss that relates to individual significant risks and the aggregate portion of the loss that is established for groups of similar assets for losses incurred but not yet identified. The adjustment for total loss is determined by taking into account historical data relating to the payment statistics of similar financial assets.

Guarantees

In accordance with its policy and financial capacity, the Group only provides financial guarantees to wholly-owned subsidiaries of the parent company.

11.5.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities as they fall due. The Group ensures maximum liquidity by ensuring that it has sufficient liquid assets at all times to settle its liabilities when due, under

both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has several credit lines for ensuring liquidity, from which it can draw funds from if the need arises. On an ongoing basis, liabilities are also financed by repayment of operating receivables. The table below provides an overview of financial and operating payables by debt maturity.

FY'22	Carrying amount of liability	Liability	Contractual cash flows			
			1–3 months	3 months to 1 year	2 to 5 years	Over 5 years
Non-current financial liabilities	2,136,547	2,216,906	0	0	2,054,953	161,952
Non-current financial liabilities arising from leases	450,791	476,976			333,207	143,769
Non-current operating and other liabilities	123,774	123,774			123,774	0
Short-term financial liabilities	1,080,556	1,128,236	217,904	910,331	0	
Short-term financial liabilities arising from leases	118,888	134,039	33,873	100,166		
Short-term operating liabilities and income tax liabilities	3,774,693	3,774,693	3,774,693	0	0	
Balance as at 30 June 2021	7,685,249	7,854,622	4,026,470	1,010,497	2,511,934	305,721

FY'21	Carrying amount of liability	Liability	Contractual cash flows			
			1–3 months	3 months to 1 year	2 to 5 years	Over 5 years
Non-current financial liabilities	3,356,062	3,480,340	0	0	2,923,507	556,834
Non-current financial liabilities arising from leases	194,329	202,400	0	0	202,400	0
Non-current operating and other liabilities	124,023	124,023	0	0	124,023	0
Short-term financial liabilities	934,302	994,887	309,926	684,961	0	0
Short-term financial liabilities arising from leases	102,449	111,182	28,465	82,717	0	0
Short-term operating liabilities and income tax liabilities	3,236,201	3,236,201	3,236,201	0	0	0
Balance as at 30 June 2021	7,947,366	8,149,033	3,574,592	767,678	3,249,929	556,834

11.5.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity instruments, will affect the Group's revenue or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within reasonable limits while optimizing profit.

11.5.4 Currency risk

The currency in which the parent company operates is EUR, therefore the company is not exposed to currency risk in its sales, purchases or lending activities.

The foreign subsidiaries have a currency clause in their contracts with customers, so the Group is not exposed to currency risks in these markets either.

The table below shows the assets and liabilities by currency for 2022.

DATALAB GROUP						
In EUR	EUR	BAM	HRK	RSD	MKD	Total
Cash and cash equivalents	3,901,697	238,443	482,555	612,465	86,115	5,321,275
Short-term operating receivables (excluding amounts due from government)	1,565,813	121,499	461,170	410,761	240,212	2,799,455
Non-current operating receivables	1,061	0	0	0	0	1,061
Short-term financial receivables	530,481	0	0	0	0	530,481
Non-current financial receivables	0	0	0	0	0	0
Non-current operating liabilities (excluding other liabilities)	0	0	0	0	123,774	123,774
Short-term operating liabilities (excluding liabilities to government, employees and advances)	210,112	21,242	100,374	183,758	14,845	530,331
Non-current financial liabilities	2,136,547	0	0	0	0	2,136,547
Non-current liabilities arising from leases	42,123	12,258	32,090	98,416	265,904	450,791
Short-term financial liabilities	1,044,778	35,778				1,080,556
Short-term financial liabilities arising from leases	15,900	5,780	45,341	22,093	29,774	118,888
Net exposure in the statement of financial position	2,549,592	284,884	765,920	718,959	-107,970	4,211,385

11.5.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Most of Group's debt resources are linked to floating interest rates, thus the Group's exposure to interest rate risk is moderate. Interest rate risk is avoided by adjusting the interest rates on the asset side to the interest rates on the liability side and by running simulations on the balance sheet to absorb the funding related to interest rate changes.

The cash flow sensitivity analysis for variable rate instruments is presented in the table below:

In EUR	FY'22	FY'21
Financial instruments with fixed interest rate	105,199	287,892
Financial assets	680,311	736,788
Financial liabilities	-575,112	-448,896
Financial instruments with variable interest rate	-2,911,671	-4,138,246
Financial assets	300,000	0
Financial liabilities	-3,211,671	-4,138,246
Increase in variable interest rate by 1%/impact on profit or loss	-25,351	-35,250
Decrease in variable interest rate by -1%/impact on profit or loss	25,351	35,250

11.5.6 Capital management

The Board of Directors has decided to maintain a large capital base in order to ensure the confidence of investors, creditors and the market and to ensure the sustainable development of the Group. The Board monitors the return on capital, which the Group has defined as net operating revenue divided by total share capital, excluding non-redeemable preference shares and minority interests. The Board also monitors the level of dividends paid to ordinary shareholders.

The Group strives to maintain a balance between the higher yields that would be made possible by increased borrowing and the benefits and security of a strong capital position.

The Group monitors capital movements using a leverage ratio calculated by dividing net liabilities by total liabilities and total capital, as shown in the table below.

Item	FY'22	FY'21
Financial liabilities=FL	3,786,783	4,587,142
Operating liabilities=OL	6,791,237	5,955,880
Cash=C	5,321,275	5,284,715
Net liabilities=FL+OL+C	5,256,745	5,258,307
Equity	9,643,335	7,974,782
Equity + net liabilities	14,900,080	13,233,090
Leverage ratio (Net liabilities / (Equity + Net liabilities))	35%	40%

The Group occasionally repurchases its own shares in the market, the timing of these transactions depending on the market price of the share. These shares are principally held for use in connection with the issue of shares under a share option plan. Purchase and sale decisions are taken by the Risk Management Committee on a transaction-by-transaction basis. The Group does not have a specific plan for the repurchase of own shares.

There was no change in the way the Group manages its capital in the reporting year.

Neither the parent company nor its subsidiaries are subject to capital requirements set by external authorities.

11.6 Reporting by segments

The Group considers that the risks and rewards from the different activities of selling the PANTHEON ERP solution are similar in material characteristics and therefore does not consider that it has more than one operating segment, but rather two geographical segments. The Datalab Group has designated the geographical segment as its primary reporting segment. The two geographical segments are Slovenia as the main market and other foreign markets.

Description	Slovenia		Other markets		Group total	
	2022	2021	2022	2021	2022	2021
Revenue	8,028,265	6,937,917	8,743,866	6,866,653	16,772,131	13,804,570
Segment assets	16,396,491	15,455,294	3,974,552	3,227,819	20,371,043	18,683,113
Impairment of assets	34,526	26,183	19,725	22,171	54,251	48,355
Carrying amount of property, plant and equipment, right of use and intangible assets	8,691,237	8,316,012	986,689	747,192	9,677,926	9,063,205

Details about key business performance items by companies in the Group (in EUR 000):

In EUR 000	Datalab d.d.	Datalab SI	Datalab BA	Datalab HR	Datalab MK	Datalab SR
Revenue	10,323	4,920	1,582	3,448	1,203	3,015
Depreciation	2,702	31	10	82	75	45
Net profit or loss	2,056	530	20	187	163	154
% of net profit or loss/revenue	19.92%	10.77%	1.29%	5.42%	13.57%	5.11%

The results presented do not take into account the effects of consolidation adjustments.

Details about the stakes of the Parent Company in Group companies by company and equity held:

Subsidiaries

In EUR	Share in equity and voting rights	Investment value of Datalab d.d. as at 30 June 2022	Equity of each company as at 30 June 2022	Current year's profit or loss
Investment in Datalab BA d.o.o. – Bosnia and Herzegovina	100%	161,717	16,384	20,332
Investment in Datalab MK d.o.o. – North Macedonia	100%	260,000	296,432	163,271
Investment in Datalab SR d.o.o. – Serbia	100%	0	144,934	154,137
Investment in Datalab SI d.o.o. – Slovenia	100%	102,799	1,477,845	530,025
Investment in Datalab HR – Croatia	100%	179,173	276,654	186,853
Subsidiaries total		703,689	2,212,249	1,054,618

Datalab Ukraine has been excluded from the consolidated statements as at 1 July 2019; the company is not a going concern and an attempt will be made to sell the investment in the company.

Affiliated companies

In EUR	Share in equity and voting rights	Investment value of Datalab d.d. as at 30 June 2022	Equity of each company as at 30 June 2022	Current year's profit or loss
Investment in Datalab Bulgaria Ltd. – Bulgaria	50.00%	0	-11,249	0
Investment in Datalab AL Sh.p.k. – Albania	50.00%	0	N/A	N/A
Investment in Datalab LLC – Kosovo	50.00%	0	-164,103	-25,318
Other companies total		0		

11.7 Sales revenue from contracts with customers

	FY'22	FY'21
Sales revenue from contracts with customers	13,334,142	10,954,096
Net revenue from sales in the domestic market	4,671,666	4,132,309
Other revenue	4,671,666	4,132,309
Net revenue from sales in the foreign markets	8,662,476	6,821,788
Affiliated companies	10,926	11,109
Other	8,651,550	6,810,679

Revenue increased by 21.7% compared to the previous year, driven by higher sales of licenses and upgrade contracts, mainly on foreign markets (Croatia, Bosnia, Serbia and North Macedonia).

The Group's sales revenue is dominated by revenue from the sale of licenses and upgrade and hosting services, with a smaller share of revenue from the sale of implementation services, training, certification and membership fees. Revenue from leases of business premises amounts to EUR 46,037.

11.8 OTHER OPERATING REVENUE

	FY'22	FY'21
Other operating revenue	3,411,130	2,812,509
Capitalized own products and own services	3,014,129	2,727,357
Other operating revenue	397,001	85,152

The bulk of the other operating revenue is accounted for by capitalized own products and services, which represent the development of the PANTHEON software in its entirety (amounting to EUR 2,781,842) and the development of the DCD (writing the textual instructions for the software, recording the video instructions for the use of the software, etc.) in the amount of EUR 232,286. All of these activities fall under software development, which has a definitive value and from which future economic benefits are expected.

Other operating revenue includes revenue from receivables paid for which value adjustments have already been made in previous years, write-offs of liabilities, recognized costs in legal proceedings, the bulk of which is represented by revenue from the write-off of liabilities amounting to EUR 178,310 and withholding tax paid by subsidiaries amounting to EUR 54,144.

11.9 Cost of materials, goods and services

The cost of materials is the quantity of direct materials consumed. It is not revalued due to changes in the purchasing power of the currency. The cost of services are costs that are not treated as material, depreciation or labor costs, but are transport costs, costs of production rates provided by others, utilities, telecommunication services, rents, payment services and similar costs. The cost of services also includes costs under contracts of employment, copyright contracts or costs of services arising from legal relationships other than employment relationships with natural persons.

The cost of goods, materials and services includes:

In EUR	FY'22	FY'21
Cost of goods, materials and services	4,246,885	3,279,381
Cost of materials	105,139	67,565
Cost of services	4,141,746	3,211,816

11.10 Labor costs

Labor costs include:

In EUR	FY'22	FY'21
Labor costs	5,509,775	4,934,140
Wages and salaries	3,837,449	3,436,712
Social security costs	1,120,206	873,701
Other labor costs	552,119	623,727

As at 30 June 2021, the Group has recalculated the actuarial provisions for long-service rewards and severance payments for the companies in Slovenia; the companies in Serbia and North Macedonia have recalculated these for the second time, whereas severance payments and long-service rewards are not statutory in Croatia and Bosnia. Other labor costs in 2022 include current service costs based on actuarial calculations amounting to EUR 20,404.

11.11 Impairment of receivables and other assets

In EUR	FY'22	FY'21
Impairment of receivables and other assets	54,251	47,351
Affiliated companies	0	11,664
Other	54,251	35,687

The impairment charge in the current financial year amounted to EUR 54,251 (previous year EUR 47,351). Of the subsidiaries, the largest impairment charge was made by Datalab Slovenia in the amount of EUR 29,859 (previous year EUR 13,515), followed by Datalab Macedonia in the amount of EUR 14,400 (previous year EUR 12,180), Datalab Croatia in the amount of EUR 4,386 (previous year EUR 6,058), and Datalab Serbia in the amount of EUR 905 (previous year EUR 6,058).

11.12 Other operating expenses

In EUR	FY'22	FY'21
Other operating expenses	304,478	53,615
Provisions	1,872	0
Other costs	302,606	53,615

Other operating expenses in FY'22 include expenses for donations, court costs and fees, withholding taxes, contractual penalties, building land contribution, scholarships and other costs.

11.13 Financial revenue

Most of the financial revenue from loans was generated by the parent company from lending. However, the revenue from operating receivables mainly relates to overdue payments by customers, to which the Group charges interest on overdue payments and accrued exchange differences.

In EUR	FY'22	FY'21
Financial revenue	26,860	37,965
Financial revenue from revaluation of liabilities	0	20,877
Financial revenue – affiliated companies	0	2,128
Financial revenue from other investments		0
Interest on loans granted to affiliated companies		0
Interest on loans granted to others	6,744	7,141
Interest on operating receivables due from others	20,116	7,819

11.14 Financial expenses

In EUR	FY'22	FY'21
Financial expenses	823,297	109,286
Financial expenses for impairments and write-downs of financial investments	0	1,004
Financial expenses for impairments of affiliated companies	0	0
Loss on disposal of financial investments	0	0
Financial expenses for impairment – natural persons	0	1,004
Financial expenses for financial liabilities	155,886	97,760
Interest on loans received from banks	73,110	72,969
Interest on other financial liabilities	71,033	14,068
Interest on finance leases	11,743	10,723
Financial expenses for operating liabilities	667,411	10,522
Financial expenses and interest for other liabilities	667,411	10,522

Financial expenses for impairments represent the revaluation of liabilities with the subsidiary DLSI in relation to the allocation of ESOP shares for individuals.

Interest on other financial liabilities represents the amount of bank charges and interest on the actuarial calculation.

Net cash flow

In EUR	FY'22	FY'21
Financial revenue	26,860	37,965
Financial expenses	823,298	109,286
Net cash flow	-796,438	-71,321

11.15 Income tax

Income tax is calculated on the basis of the revenue and expenses included in the profit or loss statement in accordance with the tax rate applicable in each country of the Datalab Group and the legislation of each country.

The income tax expense of the Group companies in the statement of comprehensive income totals EUR 280,698 and the charge for increase in deferred taxes totals EUR 10,404.

In EUR	FY'22	FY'21
Gross operating profit or loss before taxes	2,915,682	2,803,337
Income tax expense	341,636	280,698
Deferred tax	33,504	-10,404
Net profit or loss for the period	2,607,550	2,512,235

Taxation by company in the group for 2022:

In EUR	Datalab d.d.	Datalab SI	Datalab HR	Datalab SR
Profit or loss before taxes	2,175,580	640,926	224,718	167,476
Income tax expense	150,172	113,567	37,865	13,339
Deferred tax	30,838	2,666	0	0
Net profit or loss for the financial year	2,056,246	530,025	186,853	154,137

In EUR	Datalab MK	Datalab BA
Profit or loss before taxes	188,391	21,904
Income tax expense	25,120	1,573
Deferred tax	0	0
Net profit or loss for the financial year	163,271	20,331

Showing the effective tax rate for the 2022 and 2021 financial years:

Description	FY'22	FY'21
Current tax	341,636	280,698
Deferred tax	-33,504	10,404

Total tax expense	308,132	291,102
Profit or loss before taxes	2,915,684	2,803,337
Income tax at the statutory rate of 19%	553,980	532,634
Statutory income tax rate		
Revenue that increases/decreases the tax base	-95,033	0
Non-tax-deductible expenses	88,019	27,125
Reliefs	-259,279	-259,866
Impact of different tax rates	-27,873	-16,633
Other	48,317	7,843
Income tax expense	308,132	291,102
Effective tax rate	11%	10%

11.16 Deferred tax

Deferred tax expense represents an increase in deferred tax assets of EUR 33,504.

On the one hand, the increase in the financial year is due to an increase resulting from the new creation of a tax relief for investment in development and investment during the financial year and for the distribution of profits to employees under the Slovenian Employee Participation in Profit Sharing Act and, on the other hand, due to a decrease resulting from the utilization of tax reliefs created in previous years.

In addition to the Parent Company, the Slovenian subsidiary Datalab SI also decided to account for the deferred tax due to significant unrecognized tax write-offs and impairments.

11.17 Property, plant and equipment

The subsidiary Datalab SI owns a property in Ljubljana, where the Slovenian companies have their headquarters, and most of the other tangible fixed assets are computers and computer equipment.

Table of property, plant and equipment for the period from 1 July 2021 to 30 June 2022

	Property	Other machinery and equipment	Total
HISTORICAL COST			
Balance as at 1 July 2021	919,490	911,002	1,830,492
Purchases, activation	8,157	143,328	151,485
Disposal, write-off	0	44,272	44,272
Exchange rate differences	0	2,977	2,977
Balance as at 30 July 2022	927,647	1,013,035	1,940,682
VALUE ADJUSTMENT			
Balance as at 1 July 2021	122,567	670,144	792,711
Disposal, write-off	0	43,849	43,849

Depreciation	22,979	128,996	151,974
Balance as at 30 July 2022	145,546	755,291	900,836
CARRYING VALUE			
Balance as at 1 July 2021	796,922	240,858	1,037,781
Balance as at 30 July 2022	782,101	257,744	1,039,845

Table of property, plant and equipment for the period from 1 July 2020 to 30 June 2021

	Property	Other machinery and equipment	Total
HISTORICAL COST			
Balance as at 1 July 2020	837,002	750,402	1,587,404
Purchases, activation	82,488	258,468	340,956
Disposal, write-off		98,015	98,015
Exchange rate differences		147	147
Balance as at 30 June 2021	919,490	911,002	1,830,491
VALUE ADJUSTMENT			
Balance as at 1 July 2020	101,464	680,886	782,350
Disposal, write-off		96,783	96,783
Depreciation	21,103	86,041	107,144
Balance as at 30 June 2021	122,567	670,144	792,711
CARRYING VALUE			
Balance as at 1 July 2020	735,538	69,515	805,053
Balance as at 30 June 2021	796,922	240,858	1,037,780

11.18 Right of use

The right of use amounting to EUR 558,376 represents the right of use of immovable property used by the subsidiaries for their operations (lease of premises) and, for the Parent Company and the subsidiary Datalab Serbia, represents the long-term lease of a passenger car.

EUR	Right of use – building	Right of use – equipment	Total
HISTORICAL COST			
Balance as at 1 July 2021	416,511	103,705	520,216
Purchases, activation	385,777	0	385,777
Disposal, write-off	-26,094	0	-26,094
Exchange rate differences	-438	42	-396
Balance as at 30 July 2022	775,755	103,747	879,502

VALUE ADJUSTMENT

Balance as at 1 July 2021	173,439	33,605	207,045
Disposal, write-off	0		0
Depreciation	96,391	17,690	114,082
Balance as at 30 July 2022	269,831	51,296	321,126
CARRYING VALUE			
Balance as at 1 July 2021	243,072	70,100	313,171
Balance as at 30 July 2022	505,924	52,451	558,376

Table of the right of use from 1 July 2020 to 30 June 2021

EUR	Right of use – building	Right of use – equipment	Total
HISTORICAL COST			
Balance as at 1 July 2020	391,661	103,705	495,366
Purchases, activation	52,221	0	52,221
Disposal, write-off	27,575	0	27,575
Exchange rate differences	204	0	204
Balance as at 30 June 2021	416,511	103,705	520,216
VALUE ADJUSTMENT			
Balance as at 1 July 2020	90,168	15,920	106,088
Disposal, write-off	6,087	0	6,087
Depreciation	89,358	17,685	107,043
Balance as at 30 June 2021	173,439	33,605	207,045
CARRYING VALUE			
Balance as at 1 July 2020	301,493	87,785	389,278
Balance as at 30 June 2021	243,072	70,100	313,171

11.19 Intangible assets

An intangible asset is an asset that is used for the long-term production or supply of goods or services, lease or office purposes, but does not physically exist. Under intangible assets, Datalab Group recognizes material rights and copyrights at amortized cost representing the difference between the cost and the value adjustment.

In April 2021, the subsidiary Datalab MK acquired the business from the North Macedonian company INCOM, taking over all of INCOM's activities and employees. In accordance with IFRS 3, the merger has been completed and goodwill of EUR 146,819 and an intangible asset – customer list of EUR 215,834 – are recognized as at 30 June 2021. Goodwill is not amortized but will be impaired if there are indicators that goodwill is impaired.

The estimated depreciation period for the intangible asset – customer list – is 8 years. Management's estimate is based on the assumption that companies do not frequently change accounting programs, usually when these are no longer appropriate for their business needs. The carrying value of the customer list as at 30 June 2022 is EUR 167,390.

The Company performed an impairment test of goodwill and customer lists on 30 June 2022 by calculating the net present value of the incremental cash flows. The test indicated that no impairment of goodwill is required at 30 June 2022 and the management of Datalab MK does not identify any indicators that goodwill is impaired.

Intangible assets of EUR 8,079,705 (previous year EUR 7,712,254) represent the value of purchased components and other copyrights related to the PANTHEON IT system and various licenses that allow the smooth development of the PANTHEON IT system within the Development Department. The largest part of intangible assets is the capitalization of the PANTHEON program, totaling EUR 7,275,966 (2021: EUR 7,275,967)

The remaining amortization period of the intangible asset is 10 years.

The Group does not have any significant amortized intangible assets in use and does not have any intangible assets with an indefinite useful life.

Movement of intangible assets from 1 July 2021 to 30 June 2022:

	Goodwill	Own developed intangible assets	Other intangible assets	TOTAL
HISTORICAL COST				
Balance as at 1 July 2021	146,819	25,470,784	961,892	26,579,495
Purchases, activation	0	3,014,129	5,749	3,019,878
Disposal, write-off	0	0	4,668	4,668
Exchange rate differences	-295	0	-425	-720
Balance as at 30 July 2022	146,524	28,484,913	962,548	29,593,985
VALUE ADJUSTMENT				
Balance as at 1 July 2021	0	18,194,818	672,423	18,867,241
Disposal, write-off	0	0	4,668	4,668
Depreciation	0	2,572,132	79,574	2,651,707
Exchange rate differences	0			0
Balance as at 30 July 2022	0	20,766,950	747,330	21,514,280
CARRYING VALUE				
Balance as at 1 July 2021	146,819	7,275,966	289,469	7,712,254
Balance as at 30 July 2022	146,524	7,717,963	215,219	8,079,705

Movement of intangible assets from 1 July 2020 to 30 June 2021

	Goodwill	Own developed intangible assets	Other intangible assets	TOTAL
HISTORICAL COST				
Balance as at 1 July 2020	0	22,743,428	732,207	23,475,635
Purchases, activation	146,819	2,727,357	229,525	3,103,701
Disposal, write-off	0	0	0	0
Exchange rate differences	0	0	159	159

Balance as at 30 June 2021	146,819	25,470,785	961,891	26,579,495
VALUE ADJUSTMENT				
Balance as at 1 July 2020	0	15,885,426	618,541	16,503,967
Disposal, write-off	0	0	0	0
Depreciation	0	2,309,391	53,882	2,363,273
Balance as at 30 June 2021	0	18,194,817	672,423	18,867,240
CARRYING VALUE				
Balance as at 1 July 2020	0	6,858,002	113,666	6,971,668
Balance as at 30 June 2021	146,819	7,275,967	289,468	7,712,254

Depreciation is mainly represented by the depreciation of the PANTHEON program.

The Company does not identify any indicators that intangible assets are impaired.

11.20 Non-current financial investments

Non-current investments are a component of the Company's non-current financial instruments and represent an item that is recoverable over a period of time longer than one year.

In EUR	30 Jun 2022	30 Jun 2021
Non-current financial investments	449,830	150,104
Investments in affiliated companies	0	0
Non-current loans granted	449,830	150,104

Investments in affiliated companies

The Group recognizes the following investments in affiliated companies:

In EUR	Share in equity and voting rights	Investment value of Datalab d.d. as at 30 June 2022	Equity of each company as at 30 June 2022	Current year's profit or loss
Investment in Datalab Bulgaria Ltd. – Bulgaria	50.00%	0	-11,249	0
Investment in Datalab AL Sh.p.k. – Albania	50.00%	0	N/A	N/A
Investment in Datalab LLC – Kosovo	50.00%	0	-164,103	-25,318
Other companies total		0		

Investments are not valued using the equity method because they are immaterial and impaired.

Non-current loans granted

As at 30 June 2022, Datalab d.d. reports a non-current loan to a member of the Board of Directors of EUR 300,000 maturing on the date of expiry of his membership of the Board of Directors (18 June 2024). The loan is secured by shares in DATG held by him.

The Group also recognizes non-current loans granted totaling EUR 149,830.

Non-current loans to others represent loans granted by subsidiaries to their employees in the following amounts:

- DLBA (€16,080);
- DLRS (€54,737);
- DLSR (€79,014).

11.21 Non-current operating receivables

Non-current operating receivables are receivables based on property and other rights to require a person to pay a debt, deliver an item or perform a service within a period exceeding 12 months.

Non-current operating receivables represent operating receivables from instalment sales of goods and services and receivables from confirmed compulsory settlement proceedings.

In EUR	30 Jun 2022	30 Jun 2021
Non-current operating receivables	1,061	1,136
Non-current operating receivables from customers	1,061	1,136

11.22 NON-CURRENT DEFERRED COSTS

In EUR	30 Jun 2022	30 Jun 2021
Non-current deferred costs	45,131	36,793

Non-current deferred costs include costs for which the Group has already received invoices, while the expenses relate to a period of over one year (mainly maintenance services for purchased licenses necessary for the operation of PANTHEON).

11.23 Deferred tax assets

In EUR	30 Jun 2022	Recognized in profit or loss FY'22	30 Jun 2021	Recognized in profit or loss FY'21	1.07.2020
Deferred tax assets	863,402	33,504	829,899	-10,404	840,303
– from provisions	6,947	1,055	5,892	1,010	4,882
– from unused tax reliefs on investment and development	209,462	27,942	181,520	5,621	175,898
– from deferred eligibility of tax relief from profit sharing for employees	99,865	13,679	86,186	15,219	70,967
– difference in recognition of costs in the tax and balance sheets	0	0	0	-695	695

– from value adjustments of receivables	33,320	-9,172	42,492	-31,560	74,052
– from unused tax losses	513,809	0	513,809	0	513,809

Deferred tax assets are amounts of income tax that will be recovered by the taxpayer in future tax periods by making smaller tax payments in the future, at a time when the assets can be recovered.

11.24 Inventories

In EUR	30 Jun 2022	30 Jun 2021
Inventories	15,296	16,796
Materials	0	0
Goods for resale	15,296	16,796

The Group has low inventories of materials and commercial goods.

11.25 Short-term loans granted

In EUR	30 Jun 2022	30 Jun 2021
Short-term loans granted	530,481	586,684
Short-term loans to others	530,481	586,684

Under short-term loans to others, the Group recognizes a loan to Datalab Agro AG of EUR 86,000 (secured by DATG shares held by the guarantor, Andrej Mertelj) and loans to individuals and employees of EUR 444,481.

11.26 Short-term operating receivables and other assets

Short-term operating receivables are receivables based on the right to demand payment of a debt, delivery of goods or performance of a service from a specific person, based on rights arising from property or other relationships.

They are broken down into:

In EUR	30 Jun 2022	30 Jun 2021
Short-term operating receivables and assets	3,172,560	2,678,496
Short-term operating receivables from affiliated companies	4,235	120
Short-term operating receivables from customers	2,793,654	2,414,598
Receivables from the government and other institutions	108,524	55,866
Other operating receivables	1,565	10,899
Other short-term assets and advances	264,582	197,013

Receivables from customers are recognized at nominal value less an appropriate adjustment for estimated irrecoverable amounts. Receivables are revalued for impairment if their carrying amount exceeds their fair value, i.e. their recoverable amount.

Short-term receivables from customers abroad are translated at the Bank of Slovenia's exchange rate at 30 June 2022. The effects of changes in the euro equivalent at the balance sheet date as exchange differences increase ordinary financial revenue and ordinary financial expenses, respectively.

Receivables from the government and other institutions represent receivables for input VAT and receivables from the government for the reimbursement of sick leave allowance.

Other short-term assets and advances represent short-term deferred costs (annual leave bonus paid for the calendar year 2022 which will be expensed in the financial year 2023, short-term deferred costs for the maintenance of purchased licenses required for the operation of the PANTHEON program, short-term deferred costs charged by partners once in a calendar year and, as the Company's financial year differs from the calendar year, are related to the following financial year), advances to suppliers, receivables for security deposits given and others.

We estimate that short-term receivables are recoverable, except for the receivables for which we have provided a value adjustment.

Short-term operating receivables from customer and other receivables by maturity:

Balance of receivables	Gross value as at 30 June 2022	Value adjustment as at 30 June 2022	Net as at 30 June 2022	Gross value as at 30 June 2021	Value adjustment as at 30 June 2021	Net as at 30 June 2021
Total	2,999,031	199,577	2,799,455	2,713,250	287,632	2,425,618
Not overdue	2,074,362	0	2,074,362	1,891,627	3,645	1,887,982
Overdue 0 to 90 days	619,379	1,150	618,229	409,987	2,309	407,678
Overdue 91 to 180 days	88,512	20,434	68,078	113,639	20,509	93,130
Overdue 181 to 365 days	49,351	23,127	26,225	126,121	94,440	31,681
Overdue over one year	167,427	154,866	12,562	171,876	166,729	5,147

Value adjustment of receivables

Item	FY'22	FY'21
Balance as at 1 July	287,632	301,139
Value adjustments in the year	45,171	47,351
Consumption – write-off of receivables against adjustments	-126,412	-46,086
Reversal of corrections	-6,814	-14,772
Balance as at 30 June	199,577	287,632

11.27 INCOME TAX RECEIVABLES

In EUR	30 Jun 2022	30 June 2021
Short-term current tax receivables	69,399	35,286
Short-term current tax receivables	69,399	35,286

Short-term income tax receivables represent amounts due from the government for advance payments of income tax.

11.28 Cash

In EUR	30 Jun 2022	30 Jun 2021
Cash	5,321,275	5,284,715
Cash in hand	666	570
Cash in bank accounts	5,320,609	5,284,145

11.29 Equity

Share capital

The table below shows the share capital deposits and the number of newly issued shares by date.

In EUR	Share capital in EUR	Number of issued shares before share split 1:15	Number of issued shares after share split 1:15
Total as at 30 June 2022	4,379,768	0	2,189,884
Equity capital – ordinary shares – 5 May 2003	25,663	6,150	0
Equity capital – ordinary shares – 5 April 2005	939	225	0
Equity capital – ordinary shares – 17 August 2007 (of the company's assets)	0	95,050	0
Equity capital – ordinary shares – 15 February 2008	21,257	5,094	0
Equity capital – ordinary shares – 30 June 2010	20,948	5,020	0
Total before and after share split 1:15		111,539	1,673,085
Equity capital – ordinary shares – 16 April 2012	75,568	0	64,327
Equity capital – ordinary shares – 20 June 2014	156,228	0	132,989
Equity capital – ordinary shares – 25 July 2014	293,685	0	250,000
Equity capital – ordinary shares – 22 December 2017	138,966	0	69,483
Equity capital – increase in capital from company's assets	3,646,514	0	0

There were no changes in the Group's share capital in the financial year 2022.

All shares are ordinary, registered and issued in dematerialized form. All shares have been fully paid up by the shareholders before the shares were entered in the company register.

The nominal value of a share is EUR 2.

Own shares

The Group held 2,597 own shares at 30 June 2022. The cost of these shares is recorded at EUR 16,360. The Group has established reserves for the purchase of own shares amounting to EUR 16,360. The reserves established also cover the purchase of the Parent Company's shares in its subsidiary Datalab SI d.o.o. (465 shares).

The Group occasionally purchases own shares to reward employees, other contractors and management under the share scheme under Slovenian Employee Participation in Profit Sharing Act. During the financial year 2022, the Group acquired 43,635 own shares on the market at an average price of EUR 6.29 per share and the own share pool was increased by 1,080 returned shares which were inadvertently rebooked in the previous year. The pool decreased by 15,938 own shares transferred to the trading accounts of the beneficiaries to settle the award liabilities and by 30,731 shares transferred to the lender's trading account for the partial repayment of shares lent in the 2020 financial year.

The market value of own shares at 30 June 2022 was EUR 21,036.

Capital reserves

The capital reserves represent the capital injections above the nominal value of the shares for Datalab Technologije d.d. and amount to EUR 441,999.

Profit reserves

The profit reserves of EUR 437,977 represent statutory reserves.

The statutory reserve is set at 10% of the share capital (EUR 437,977) and can be used to cover any losses in accordance with the Slovenian Companies Act (ZGD-1).

Translation reserves

Upon acquisition of a non-controlling interest in Datalab BA, a negative translation reserve of EUR 128,700 was created in the 2014 financial year. The remaining part of the translation reserve (EUR -91,983) represents exchange differences arising on the translation of equity items from the functional currency into the reporting currency.

Fair value reserves

The fair value reserve of EUR -33,296 is based on an actuarial calculation as at 30 June 2022 and decreased by EUR 37,776 in 2022.

Retained earnings

Based on the decision of the General Meeting, the retained earnings in the financial year were reduced by the dividend liability for the financial year 2022 of EUR 735,356 (taking into account the amount of the dividend payment, where dividends are not attributable to own shares), by the amount of the profit-sharing of employees under the Slovenian Employee Participation in Profit Sharing Act of EUR 219,065, by the amount of foreign tax paid after deduction on the transfer of profits of subsidiaries to parent company of EUR 20,177, and by actuarial losses of EUR 5,503, while it increased by the amount of release of reserves for own shares of EUR 5,294.

Ownership structure of Datalab d.d. as at 30 June 2022

Category	Shareholder	Stake	No. of shares
10 largest		76.43%	
	Andrej Mertelj	27.15%	594,604
	Eglath Ventures d.o.o.	14.41%	315,493
	Nepremičnine Noviforum d.o.o.	8.70%	190,618
	NLB Skladi-Slovenija	8.22%	179,919

	Janez Rozman	4.71%	103,203
	Lojze Zajc	3.48%	76,298
	Grbec Robert	3.21%	70,377
	Nedim Pašić	3.20%	69,989
	The Bank of New York Mellon (fiduciary account)	1.80%	39,507
	Moreno Rodman	1.54%	33,665
	Members of the Board of Directors (total)	32.41%	709,748
Other	Own shares*	0.12%	2,597
	Other employees	6.04%	132,229
	Former employees	4.99%	109,360
	Employees in the group	2.48%	54,355
	Partner companies	1.42%	31,030
	Other shareholders	8.52%	186,640
Total		100.00%	2,189,884

* 465 shares held by Datalab SI d.o.o. are included in own shares.

Weighted average number of shares

Description	FY'22	FY'21
Initial balance as at 1 July	2,189,884	2,189,884
Minus own shares	4,551	28,259
Adjusted initial balance	2,185,333	2,161,625
New issue	0	0
Purchase of own shares	44,715	25,120
Sales of own shares	46,669	48,828
Adjusted closing balance as at 30 June	2,187,287	2,185,333
Weighted average number	2,168,803	2,173,479

Earnings per share

Basic earnings per share amounted to EUR 1,20 in 2022 (EUR 1,16 in 2021). The calculation took into account the net profit for the period of EUR 2,607,550 (EUR 2,512,235 in 2021).

For both years, the weighted average number of shares taken into account is 2,168,803 in 2022 and 2,173,479 in 2021. Own shares are excluded from the calculation.

All shares issued by Datalab d.d. are ordinary registered shares and therefore the adjusted earnings per share is equal to the basic earnings per share.

Calculation of earnings per share and adjusted earnings per share:

Description	FY'22	FY'21
Net profit for the period (EUR)	2,607,550	2,512,235
Net profit or loss per weighted average number of shares (EUR)	1.20	1.16
Adjusted Net profit or loss per weighted average number of shares (EUR)	1.20	1.16

11.30 Non-current financial liabilities

In EUR	30 Jun 2022	30 June 2021
Non-current financial liabilities	2,136,547	3,356,062
Non-current financial liabilities to banks	2,136,547	3,214,669
Other long-term financial liabilities	0	141,363

In the 2015 financial year, Datalab d.d. obtained a 7-year loan with a subsidized interest rate from Bank Celje d.d. (now NKBM d.d.) for the financing of the further development of the PANTHEON program in the amount of EUR 1,500,000. The outstanding part of the loan as at 30 June 2015 was EUR 1,500,000. The credit facility is 80% secured by the Slovenian Enterprise Fund and additionally secured by a pledge of the PANTHEON and DATALAB trademarks and an assignment of receivables from subsidiaries.

In the 2016 financial year, Datalab d.d. signed a long-term loan agreement with SID Bank to finance the development of PANTHEON X-Second Phase, in the amount of EUR 1,500,000, with a repayment period of 7 years and a one-year repayment moratorium. The loan is secured by a pledge of the PANTHEON and PANTHEON FARMING trademarks, a pledge on the business premises on Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and an assignment of the receivables of the subsidiary Datalab SI d.o.o. from its customers. The outstanding amount of the loan as at 30 June 2022 is EUR 472,603. It is shown in the non-current part as at EUR 226,027 (short-term part: EUR 246,575).

In the 2019 financial year, Datalab d.d. signed a long-term loan agreement with NKBM d.d. to finance the further development of PANTHEON, amounting to EUR 937,000, with a repayment period of 50 months. The loan is secured by a pledge of the PANTHEON trademark, a pledge of the business premises on Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and an assignment of the receivables of the subsidiary Datalab SI d.o.o. from its customers. The outstanding part of the loan as at 30 June 2022 amounts to EUR 318,580. It is shown in the non-current part as EUR 93,700 (short-term part: EUR 224,880).

In the financial year 2021 Datalab d.d. signed a long-term loan agreement with SID Bank to finance working capital – covering labor costs in order to preserve jobs to avoid the negative impact of the Covid-19 epidemic in the amount of EUR 2,000,000 with a repayment period of 7 years and a 22-month repayment moratorium. The loan is secured by a pledge of the PANTHEON trademark, a pledge on the business premises in Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and bills of exchange. As at 30 June 2022, the loan is still fully outstanding. The non-current part amounts to EUR 1,709,677 (current part: EUR 290,323; first instalment is due on 10 October 2022, last instalment on 5 November 2027).

Datalab SI d.o.o. has EUR 66,666 of borrowings as at 30 June 2022 (all on the short-term side). The financial liabilities relate to a long-term loan obtained in the 2015 financial year for the purchase and modernization of business infrastructure guaranteed by the Slovenian Enterprise Fund. The loan is secured by a pledge on the premises in Hajdrihova Street with a carrying value of EUR 782,101 and a guarantee by Datalab Tehnologije d.d..

In 2020, Datalab Bosnia also obtained a working capital loan for EUR 102,258 (BAM 200,000), with a fixed interest rate of 3.9% and a maturity date of 14 May 2023. The balance of the liabilities as at 30 June 2022 is EUR 35,778, all recorded in the short-term part.

The interest rates are linked to 6-month EURIBOR plus a fixed mark-up of between 0–2.2% per annum (except for the loan acquired by the subsidiary in Bosnia, which bears interest at 3.9%). The last instalment of the non-currently acquired loans is due on 5 November 2027.

Over a period of more than 5 years, liabilities to banks amounting to EUR 161,290 are due.

Other non-current financial liabilities at the end of the previous year included liabilities based on borrowed shares, which amounted to EUR 141,363 as at 30 June 2021. The shares were returned to the lender in the current year (see the chapter Transactions with related parties, paragraph Transactions in own shares).

11.31 Non-current financial liabilities arising from leases

In EUR	30 Jun 2022	30 Jun 2021
Non-current financial liabilities arising from leases	450,791	194,329
Non-current liabilities arising from leases of business premises	408,665	162,070
Non-current liabilities from other leases	42,126	32,259

Non-current financial liabilities from leases include:

- Leasing contracts for the purchase of two company cars (two contracts at Datalab Tehnologije d.d., the leasing contract for the car at DLSR has been repaid).

In November, a contract was concluded for the operating lease of a car, the use of which is transferred to another user by means of a donation agreement. The outstanding part of the liability as at 30 June 2022 amounts to EUR 25,631. It is recorded at EUR 20,086 in the non-current part and EUR 5,545 in the short-term part.

The outstanding part of these contracts as at 30 June 2022 amounts to EUR 57,231. It is recorded at EUR 42,125 in the non-current part and at EUR 15,106 in the short-term part.

The liability arising from the lease of business premises of subsidiaries abroad as at 30 June 2022 amounts to EUR 512,448. It is recorded at EUR 408,665 in the non-current part and EUR 103,783 in the short-term part.

The table below shows the trends for non-current leases in 2022:

In EUR	2022
Balance as at 1 July 2021	296,778
Increase	414,622
Decrease in lease contract	-27,195
Interest	11,743
Lease payments	-126,778
Exchange rate differences	509
Total rental	569,679
Transfer to the short-term part	118,888
Balance as at 30 June 2022 for the non-current part	450,791
Balance as at 30 June 2021 for the short-term part	118,888

The table below shows the trends for non-current leases in 2021

In EUR	2021
Balance as at 1 July 2020	366,277
Increase	51,215
Decrease in lease contract	-21,951
Interest	10,723
Lease payments	-112,202
Exchange rate differences	2,718
Total rental	296,778
Transfer to the short-term part	102,449
Situation 30.6.2021 Non-current part	194,329
Balance as at 30 June 2021 for the short-term part	102,449

11.32 Non-current operating and other liabilities

In EUR	30 Jun 2022	30 Jun 2021
Non-current operating and other liabilities	123,774	124,023
Other non-current operating liabilities	123,774	124,023

Also in this financial year, non-current operating liabilities represent operating liabilities arising from the acquisition of the business, which was purchased from private individuals who sold the business to the subsidiary Datalab MK under a merger agreement.

The non-current operational liability relates to the realization of the 5-year plan. For this purpose, management has estimated that the expected plan realization rate is 85%, as the situation is somewhat more uncertain due to the long duration of the plan.

Past other non-current operating liabilities represent VAT liabilities falling due in a period of more than one year. The two Slovenian companies have applied to the tax authorities for deferment or instalment of VAT for the months Feb.20 to May.20 under the legislation to mitigate the effects of the Covid-19 epidemic. A two-year deferral was granted for the tax liability for the month of February and a 24-month deferral for the remaining months.

11.33 Provisions

The Group has provisions of EUR 149,688 at 30 June 2022.

In EUR	30 Jun 2022	30 Jun 2021
Provisions	149,688	165,309
Provisions for severance pay and long-service rewards	149,688	165,309
Other provisions	0	0

Provisions for long-service rewards and severance pay are recorded at EUR 149 688 in accordance with IAS 19.

In the 2022 financial year, the Group reduced the provisions for long-service rewards and severance payments by EUR 15,621 based on an actuarial calculation, and paid out long-service rewards and severance payments totaling EUR 3,680 against the provision.

The trends for provisions for long-service rewards and severance pay in the 2022 financial year are shown in the table below:

	Long-service rewards	Severance pay on retirement	Total
Liabilities as at 30 June 2021	19,713	145,596	165,309
Current service expenses	1,817	18,436	20,253
Past service expenses	0	0	0
Interest expenses	141	1,342	1,483
Benefit payments	-3,680	0	-3,680
Actuarial gains or losses due to:	0	0	
– changes in financial assumptions	-3,127	-39,925	-43,052
– changes in demographic assumptions	761	11,503	12,264
– previously established discrepancies	1,163	-4,052	-2,889
Liabilities as at 30 June 2022	16,788	132,900	149,688

The trends for provisions for long-service rewards and severance pay in the 2021 financial year are shown in the table below:

	Long-service rewards	Severance pay on retirement	Total
Liabilities as at 30 June 2020	20,034	83,612	103,646
Current service expenses	2,263	16,837	19,100
Past service expenses	-1,059	-1,450	-2,508
Interest expenses	133	686	819
Benefit payments	-2,989	0	-2,989
Actuarial gains or losses due to:	0	0	0
– changes in financial assumptions	-66	24,266	24,201
– changes in demographic assumptions	0	1,857	1,857
– previously established discrepancies	1,398	19,786	21,183
Liabilities as at 30 June 2021	19,713	145,595	165,309

Provisions for long-service rewards and severance pay at 30 June 2022 have been calculated based on the following assumptions:

- probability of death (SLO2007; selection factor for the active population 75%);
- probability of disability;
- retirement under the model based on the Pension and Disability Insurance Act (ZPIZ-2; Official Gazette of the Republic of Slovenia [Uradni list RS], No. 96/2012);
- staff turnover:
 - 7.50% between 31 and 40 years;
 - 5.00% between 41 and 50 years;
 - 1.00% between 51 and 60 years;
 - 0.00% over 61 years;
- discount rate of 3.2246% (Markit iBoxx € Corporates AA 10+; EOD-30 June 2022);
- salary growth in Slovenia: 3.5%
- company salary growth of 5.0%;
- employer's contribution rate of 16.1% (in the case of payments exceeding the amounts set by the Decree on the tax treatment of reimbursement of costs and other income from employment (Official Gazette of the Republic of Slovenia [Uradni list RS], Nos. 140/2006, 76/2008);
- 0.25% increase in the Decree's amounts.

In the actuarial calculation for Datalab Macedonia, the following additional factors were taken into account:

- mortality rate (North Macedonia population mortality MKD 16-2018; selection factor for active population 75%)
- retirement rate according to the Pension and Disability Insurance model (Official Gazette of the Republic of North Macedonia, No. 15/2013),
- increased salary growth rate for North Macedonia 9%;
- discount rate of 3.7%;
- staff turnover:
 - 3% between 14 and 40 years;
 - 2% between 41 and 50 years;
 - 0% over 51 years,

The actuarial calculation of Datalab Serbia additionally took into account:

- Pension and Disability Insurance Act; Official Gazette of the Republic of Serbia, Nos. 34/2003, 46/2019
- mortality rate; based on the SRS 2010–2012 table, selection factor for the active population 75%;
- salary growth rate in the Republic of Serbia of 12.0%;
- Discount rate of 7.385% (wordgovernmentbonds.com: Serbia 10y gb, 30 June 2022)
- staff turnover:
 - 10% between 14 and 40 years;
 - 5% between 41 and 50 years;
 - 0.5% between 51 and 60 years;
 - 0% at or over 61 years.

The following tables also show the sensitivity analyses for the provisions for the different parameters (changes) for DLDD, DLSI, DLMI and DLSR.

Expected current value of the liability			
Parameter (change)	Long-service rewards	Severance pay on retirement	Total

Discount rate (+0.50%)	16,124	122,575	138,699
Discount rate (-0.50%)	17,495	144,332	161,827
Salary growth (+0.50%)	16,788	144,314	161,102
Salary growth (-0.50%)	16,788	122,464	139,252
Staff turnover (+1.00%)	15,394	112,061	127,455
Staff turnover (-1.00%)	18,275	151,594	169,869
Life expectancy (+1 year)	16,806	133,429	150,235
Life expectancy (-1 year)	16,767	132,319	149,086

Absolute change of the liability			
Parameter (change)	Long-service rewards	Severance pay on retirement	Total
Discount rate (+0.50%)	-664	-10,325	-10,989
Discount rate (-0.50%)	707	11,433	12,140
Salary growth (+0.50%)	0	11,414	11,414
Salary growth (-0.50%)	0	-10,436	-10,436
Staff turnover (+1.00%)	-1,394	-20,839	-22,234
Staff turnover (-1.00%)	1,488	17,007	18,494
Life expectancy (+1 year)	19	529	547
Life expectancy (-1 year)	-20	-581	-601

Relative change of the liability			
Parameter (change)	Long-service rewards	Severance pay on retirement	Total
Discount rate (+0.50%)	-4.04%	-8.41%	-8.11%
Discount rate (-0.50%)	4.30%	9.38%	9.04%
Salary growth (+0.50%)	0.00%	9.18%	8.51%
Salary growth (-0.50%)	0.00%	-8.34%	-7.72%
Staff turnover (+1.00%)	-8.63%	-17.05%	-16.48%
Staff turnover (-1.00%)	9.30%	13.91%	13.25%
Life expectancy (+1 year)	0.10%	0.45%	0.42%
Life expectancy (-1 year)	-0.11%	-0.49%	-0.47%

11.34 Short-term financial liabilities

Short-term debt is recognized as a liability to finance own funds that falls due in less than one year. In the statement of financial position, these liabilities are divided into current financial liabilities and short-term operating liabilities.

In EUR	30 Jun 2022	30 Jun 2021
Short-term financial liabilities	1,199,444	1,036,751
Short-term financial liabilities to banks	1,080,556	930,271
Short-term liabilities arising from leases	118,888	102,449
Other short-term financial liabilities	0	4,031

Short-term loans of the Group received from banks by currency and interest rate:

Item	Amount in currency	Amount in EUR	Minimum interest rate	Maximum interest rate
EUR	1,044,778	1,044,778	6M-EURIBOR+0%	6M-EURIBOR+2.2% or nominal 2%
BAM	69,976	35,778		3.9%

As at 30 June 2022, the Group has short-term liabilities to banks totaling EUR 1,199,444.

The subsidiary Datalab BA has bank liabilities of EUR 35,778 (EUR 35,778 in the short-term part). The loan was received in the previous year at a fixed interest rate of 3.9%.

The subsidiary Datalab SI has short-term bank liabilities of EUR 67,219.

11.35 Short-term financial liabilities arising from leases

In EUR	30 Jun 2022	30 June 2021
Short-term financial liabilities arising from leases	118,888	102,449
Short-term liabilities arising from leases of business premises	103,782	86,896
Short-term liabilities arising from other leases	15,106	15,553

Short-term financial liabilities arising from leases include the short-term part of the liability from leasing contracts for the purchase of two cars for an amount of EUR 15,106.

The movement in short-term leases is shown under non-current liabilities arising from leases.

11.36 Short-term operating liabilities

In EUR	30 Jun 2022	30 June 2021
Short-term operating liabilities	3,725,029	3,021,918
Short-term operating liabilities to suppliers	530,331	411,483
Short-term operating liabilities to others	2,486,282	2,216,135
Other liabilities, accrued costs	708,416	394,300

Short-term operating liabilities to suppliers represent liabilities for services rendered (services provided by external partners to the development department, overheads, advertising and promotion services, fees charged by partners) and the purchase of materials (office supplies, small tools) and fixed assets.

Short-term operating liabilities to others include the liabilities to government for contributions and payroll taxes, liabilities for VAT, liabilities to employees for salaries, liabilities for outstanding bonuses, liabilities for dividends and profit-sharing based on a decision of the General Meeting, liabilities for unpaid compensation for Board of Director's service and other liabilities.

Short-term operating liabilities to others increased compared to the previous year due to liabilities for unpaid performance-based bonuses due to employees, external contractors and members of the Board of Directors, as well as liabilities based on the decision of the General Meeting for dividends and profit-sharing under the Slovenian Employee Participation in Profit Sharing Act.

Other liabilities and accrued expenses represent accrued expenses relating to the 2022 financial year for which the Company has not yet received invoices and accrued unused annual leave for the 2022 financial year.

Overview of the structure of short-term operating liabilities by maturity

Status of liabilities	Gross value as at 30 June 2022
Total	3,725,029
Not overdue	3,544,480
Overdue 0 to 90 days	156,881
Overdue 91 to 180 days	1,164
Overdue 181 to 365 days	5,441
Overdue over one year	17,063

The table below shows short-term liabilities by maturity for 2021:

Status of liabilities	Gross value as at 30 June 2022
Total	3,021,918
Not overdue	2,969,760
Overdue 0 to 90 days	29,220
Overdue 91 to 180 days	3,379
Overdue 181 to 365 days	13,821
Overdue over one year	5,738

11.37 Liabilities from contracts with customers

In EUR	30 Jun 2022	30 Jun 2021
Short-term liabilities from contracts with customers	2,894,771	2,595,654
Short-term liabilities from with customers (IFRS 15), including advances received from customers	2,894,771	2,595,654

Short-term liabilities from contracts with customers, including advances received from customers, mainly represent deferred revenue from upgrade contracts relating to the following financial year.

11.38 INCOME TAX LIABILITIES

In EUR	30 Jun 2022	30 June 2021
Short-term income tax liabilities	47,664	214,283
Short-term liabilities for accounted income tax	47,664	214,283

11.39 INVESTMENT IN RESEARCH AND DEVELOPMENT

The Parent Company is a development-oriented company, where most of the costs are for the development and improvement of the PANTHEON ERP and the web version PANTHEON WEB.

In the last financial year, we started a new DCD (Datalab Community Development) project. The main objectives of the project are: to provide timely and crucial information for PANTHEON users, to improve the quality of written and video instructions for PANTHEON use and to standardize instructions, training, innovations and software self-testing by creating a high quality and new PANTHEON demo database. The project is expected to be completed by the end of the next financial year (FY23).

The cost of development

Cost breakdown	FY'22	FY'21
Internal R&D activities	1.837.423	1.709.328
Purchased R&D services	1.238.537	1.071.809
Total	3.075.960	2.781.137

Type of cost	FY'22	FY'21
Labor costs	1.571.837	1.511.923
Purchase of R&D equipment	85.028	96.657
Cost of materials	8.285	3.989
Cost of R&D services and cost of external specialists and researchers	1.410.810	1.168.568
Total	3.075.960	2.781.137

11.40 TRANSACTIONS WITH RELATED PARTIES

The following tables show transactions with related parties for the Datalab Group.

Other related companies:

In EUR	FY'22	FY'21
Sales (receivables)		
Datalab KS	8,686	11,784
Purchases (liabilities) in EUR		
Datalab AH d.d.	21	91

Outstanding receivables in EUR

Datalab KS	4,235	120
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Outstanding liabilities in EUR

Datalab AH d.d.	0	36
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Outstanding liabilities from contracts with customers in EUR

Datalab KS	1,483	3,722
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In EUR	30 June 2022	30 June 2021
Loans granted to related parties	744,357	497,015
Andrej Mertelj	414,357	444,357
Lojze Zajc	330,000	30,000
Datalab Golf & Yachting Club	0	22,659

The loans granted to Andrej Mertelj are secured by DATG shares owned by him.

The interest rate on loans to related parties includes a variable component, which takes into account the recognized interest rate for loans between related parties published monthly by the Ministry of Finance, and a credit rating premium (the "no rating" premium is taken into account – a 1% mark-up). The interest rates on loans granted to Andrej Mertelj thus range from 0.627% to 0.897%, depending on the month in which the individual loan agreement was concluded. The repayment period also depends on the date of conclusion of each contract, ranging from 15 July 2022 to 2 July 2023.

Two loans are granted to Lojze Zajc: a short-term loan of EUR 30,000, which is unsecured, bears an interest rate of 0.832% and has a maturity date of 2 April 2023, and a long-term loan of EUR 300,000, which is secured by DATG shares held by him, bears interest at the monthly recognized interest rate for loans between related parties and has a maturity date of 18 June 2024. Both loans, together with the related interest, were repaid by Mr Zajc in September 2022.

The loan granted to the subsidiary Datalab MK, with the last instalment maturing on 30 October 2022 and bearing interest at 0% (exceptionally interest-free due to the Covid-19 epidemic), is being repaid in accordance with the agreement.

The loan to Datalab Golf & Yachting Club for the purchase of the sailing boat was repaid when the sailing boat was sold.

In EUR	30 June 2022	30 June 2021
Loans received from related parties	0	4,031
Datalab AH d.d.	0	4,031

Liabilities to the Board of Directors members

In EUR	30 Jun 2022	30 Jun 2021
Liabilities to the Board of Directors members	-385,602	-101,383

Andrej Mertelj	-265,297	-257,804
- of which loans and operating receivables	-414,696	-445,246
- of which operating receivables	149,398	46,080
- of which financial liabilities*	0	141,363
Lojze Zajc	-260,776	64,084
- of which loans and operating receivables	-331,856	-30,309
- of which operating receivables	71,080	94,393
Moreno Rodman	46,621	75,950
Andrej Brlečić	79,944	16,388
Ambrož Jarc	7,269	0
Mateja Cejan	6,638	0

*liability for shares provided

Ambrož Jarc is a member of the Board of Directors from 25 June 2021 onwards.

Mateja Cejan is a member of the Board of Directors from 28 February 2022 onwards.

The above transactions shall be out at arm's length, or by comparing the prices charged for assets or services to related parties with the prices charged for assets or services to unrelated parties in comparable circumstances.

Transactions in own shares

In the 2020 financial year, Datalab Tehnologije d.d. entered into a share loan agreement with Andrej Mertelj, under which it acquired 79,559 DATG shares. The liability under this agreement was recognized upon acquisition on the acquisition date and at 30 June 2020 at the exchange rate on that date (EUR 4.80/share) and amounted to EUR 381,883.

The company acquires its own shares in order to reward its employees (in Slovenia under an Employee Participation in Profit Sharing Act scheme) and management.

In the financial year 2021, 48,828 shares were returned to the lender. The liabilities as at 30 June 2021 recognized at the stock exchange price on that date (EUR 4.60/share) amounted to EUR 141,363.

During the current financial year, the remaining 30,731 shares were returned to the lender, so that the Company has no further liabilities in this regard as at 30 June 2022.

Eliminations in the consolidated statements

In the consolidated financial statements for the financial year 2022, the following eliminations have been taken into account in the financial statements:

Item in statement of comprehensive income	FY'22	FY'21
Sales revenue from contracts with customers	7,223,448	6,213,993
Cost of materials, goods and services	7,182,189	6,160,560
Labor costs	0	0
Depreciation	27,202	35,166

Write-offs	0	0
Financial revenue	495,198	40,465
Financial expenses	5,942	7,649

Item in the statement of financial position	FY'22	FY'21
ASSETS		
Right of use	106,032	136,327
Intangible assets	-39,539	-52,720
Investments in subsidiaries	703,689	703,689
Short-term financial investments	34,448	101,116
Short-term operating receivables and other assets	1,642,504	3,002,791
Other short-term assets and advances	1,921,060	0
Cash in bank accounts	0	0
Total assets	4,368,195	3,891,204
EQUITY		
Equity (all other items)	650,222	642,107
LIABILITIES		
Non-current financial liabilities	205,245	142,612
Short-term financial liabilities	98,281	129,613
Short-term operating liabilities	1,500,219	1,294,801
Liabilities arising from contracts with customers	1,914,228	1,682,072
Total equity and liabilities	4,368,195	3,891,204

Remuneration of members of the Board of Directors

The Group is managed on the basis of a single-tier system: the Group is governed by a Board of Directors, of which the Executive Directors are also members.

The structure of the Board of Directors is presented in the Corporate Governance Statement/Board of Directors section of the Annual Report.

The members of the Board of Directors received a total of EUR 330,571 for their duties during the financial year (previous year: EUR 435,233).

Remuneration includes: salaries and other employment benefits (annual leave bonus, travel and subsistence allowances, bonuses) for the Executive Directors, allowances for the external members of the Board of Directors and attendance fees (all members of the Board of Directors), bonus payments based on the decisions of the General Meeting (no payments in the current financial year), and allowances in respect of personal guarantees given by members for loans received from the parent company.

The amount of remuneration includes remuneration in the period (i.e. payments) and not the accrued liability for the period. For members appointed to the Board of Directors during the financial year, remuneration only includes remuneration from the date of appointment.

Amounts shown are gross¹.

11.41 Financial instruments

Financial assets

	Carrying amount as at 30 June 2022	Fair value as at 30 June 2022 – level 3	Carrying amount as at 30 June 2021	Fair value as at 30 June 2021 – level 3
Non-current loans granted	449,830	449,830	150,104	150,104
Non-current operating receivables	1,061	1,061	1,136	1,136
Short-term loans granted	530,481	530,481	586,684	586,684
Short-term operating receivables	2,797,890	2,797,890	2,425,618	2,425,618
Cash and cash equivalents	5,321,275	5,321,275	5,284,715	5,284,715
Total	9,100,537	9,100,537	8,448,256	8,448,256

Financial liabilities

	Carrying amount as at 30 June 2022	Fair value as at 30 June 2022 – level 1	Fair value as at 30 June 2022 – level 3	Carrying amount as at 30 June 2021	Fair value as at 30 June 2021 – level 1	Fair value as at 30 June 2021 – level 3
Non-current financial liabilities	2,587,339	0	2,587,339	3,550,391	141,363	3,409,029
Short-term financial liabilities	1,199,444	0	1,199,444	1,036,751	0	1,036,751
Short-term operating liabilities	530,331	0	530,331	411,482	0	411,482
Total	4,317,114	0	4,317,114	4,998,624	141,363	4,857,261

In the previous year, liabilities at fair value on level 1 represent liabilities for shares loaned by Andrej Mertelj; the liabilities are translated at the balance sheet date to the stock exchange price of the shares (30,731 DATG shares, stock exchange price as at 30 June 2021 was EUR 4.60 per share).

11.42 Auditing costs

At the regular General Meeting of Datalab Tehnologije d.d. held on 28 February 2022, UHY Revizija in svetovanje d.o.o., Vurnikova ulica 2, 1000 Ljubljana, was appointed to audit the financial statements for the financial years 2022, 2023 and 2024.

The cost of the audit of the financial statements and the annual report for the financial year 2022 for Datalab amounts to EUR 8,210 and the cost of the audit of the consolidated statements of comprehensive income amounts to EUR 7,800, which makes a total of EUR 16,010.

UHY Revizija in svetovanje d.o.o. also performed assurance engagements for the company other than the audit (compliance review of the electronic annual report in accordance with Commission Delegated Regulation (EU) 2019/815) for EUR 2,045 and the review of the remuneration report in accordance with Article 294b of the Slovenian Companies Act (ZGD-1) for EUR 820.

In addition to these services in the 2022 financial year, UHY Revizija in svetovanje d.o.o. also provided the services for the preparation of an audit report on a bank's certificate of compliance with financial covenants at a cost of EUR 900.

The cost of auditing the financial statements for other group companies amounted to EUR 9,569.

11.43 POTENTIAL LIABILITIES FROM LAWSUITS

Datalab Tehnologije d.d. as defendant

Plaintiff	Value in EUR	Ref no., court	Status
Progis GmbH	202,440	II Pg 1075/2018, District Court in Ljubljana	In progress
	Counterclaim – claim by Datalab d.d. EUR 67,480		

I. Case II Pg 1075/2018 Progis GmbH against Datalab d.d., valued at EUR 202,440

This is a request for payment of a license fee under the licensing and cooperation agreement for WinGIS and Dokuplant. Datalab counterclaimed for the reimbursement of the EUR 67,480 advance paid. The first hearing was held and two further hearings were subsequently scheduled to hear the legal representatives of both parties, but were postponed due to the illness of the parties.

As the evidence in the case has not yet been produced (in particular by an expert witness), we estimate the plaintiff's probability of success at 50%, and the same applies to the counterclaim.

Datalab Tehnologije d.d. as plaintiff

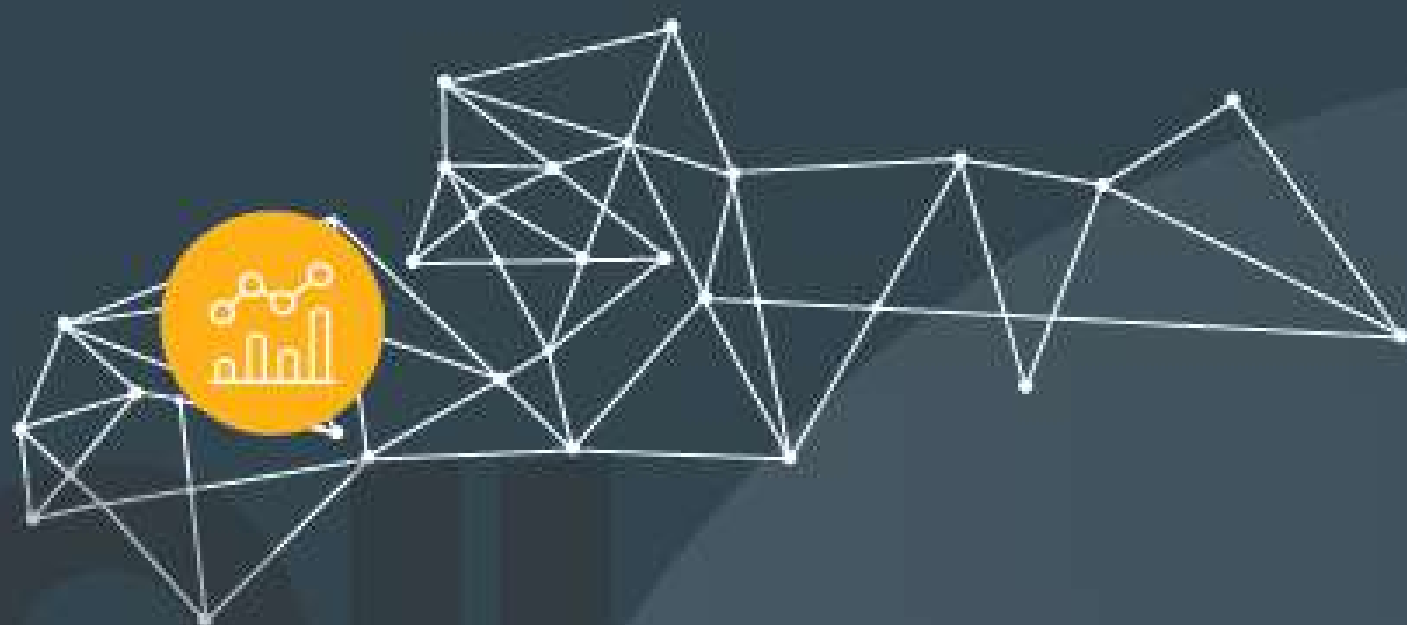
There are no such proceedings pending.

11.44 Significant events after the date of the financial statement

There were no events after 30 June 2022 that would have an impact on the financial year 2022.

12 Auditor's report for the Datalab Group

(see SL PDF version)



13 Statement of the Board of Directors of the Parent Company

The Board of Directors of Datalab d.d. is responsible for the preparation of the annual report of the Parent Company and the financial statements in a manner that gives the interested public a true and fair view of property balance and profit and loss statement of Datalab d.d. and its subsidiaries for the financial year 2022.

The Board of Directors of the company declares the following:

- That the financial statements have been prepared for the purpose of showing that Datalab d.d. will continue with their business activities in the future;
- The accounting policies chosen have been consistently applied and possible changes in accounting policies have been adequately disclosed;
- That accounting estimates have been made on a basis that is fair and reasonable and in accordance with the principles of prudence and sound governance;
- That the consolidated financial statements which include explanatory notes intended for Datalab d.d. and the Datalab group have been drawn up in accordance with the applicable legislation and the International Financial Reporting Standards (IFRS);
- That the financial report includes an honest summary data of the development and performance of the company's business and profit and loss statement as well as its financial position. It also details the types of risk to which the company as a whole is subject to.

The Board of Directors of the Parent Company is also responsible for proper accounting, adoption of appropriate measures for the protection of property and the prevention and detection of fraud, and other irregularities or illegal activity.

The tax authorities may, at any time within five years after the end of the year in which the taxes are chargeable, review the company's business operations, which may result in additional liability for tax, interest and penalties arising from corporate income tax or other taxes and duties. The Board of Directors of the company is not aware of any circumstances which could give rise to a material liability for any of the above taxes and which would have a material effect on the amounts shown in the Annual Report as well as on the company's future position.

The Board of Directors of the company hereby approves the financial statements of the Parent Company for publication.

Ljubljana, 25 October 2022

Andrej, Mertelj,
Executive Director of Datalab d.d.





14 Statement of Comprehensive Income of Datalab d.d.

All amounts shown in the financial statements and disclosures are in EUR.

14.1 Statement of comprehensive income of Datalab d.d. for the period from 1 July 2021 to 30 June 2022

	Note	FY'22	FY'21
Sales revenue from contracts with customers	14.6	6,563,324	5,652,919
Other operating revenue	14.7	3,253,550	2,732,279
Operating income		9,816,873	8,385,197
Cost of materials, goods and services	14.8	2,473,764	1,864,887
Labor costs	14.9	2,249,505	2,113,861
Depreciation of property, plant and equipment		76,181	46,219
Depreciation of right of use		44,933	52,915
Depreciation of intangible assets		2,580,472	2,335,529
Impairment of receivables and other assets	14.10	4,667	11,664
Other operating expenses	14.11	61,801	32,780
Operating profit or loss		2,325,550	1,927,342
Financial revenue	14.12	506,138	68,765
Financial expenses	14.13	656,107	86,878
Net cash flow		-149,969	-18,114
Profit or loss before taxes		2,175,581	1,909,228
Income tax	14.14	-150,172	-138,398
Deferred tax	14.15	30,838	-5,474
Net profit or loss for the financial year		2,056,246	1,765,356
Items that will never be reclassified to the profit or loss statement		32,274	-42,473
Actuarial gains and losses		32,274	-42,473
Total other comprehensive income for the financial year after taxes		32,274	-42,473
Total comprehensive income for the financial year		2,088,520	1,722,883

14.2 Statement of financial position of Datalab d.d. as at 30 June 2022

	Note	30 Jun 2022	30 Jun 2021
ASSETS			
Property, plant and equipment	14.16	136,172	170,725
Right of use	14.17	145,066	189,999
Intangible assets	14.18	7,723,762	7,284,355
Investments in subsidiaries	14.19	703,689	703,689
Investments in affiliated companies	14.19	0	0
Non-current loans granted	14.20	300,000	0
Non-current deferred costs		19,877	1,454
Deferred tax assets	14.21	821,253	790,415
Total non-current assets		9,849,820	9,140,638
Inventories		497	497
Short-term loans granted	14.22	563,689	686,364
Short-term operating receivables and other assets	14.23	2,444,235	1,743,501
Assets from contracts with customers	14.24	67,801	297,060
Income tax receivables		30,836	0
Cash and cash equivalents	14.25	2,560,318	3,260,561
Total current (short-term) assets		5,667,377	5,987,983
Total assets		15,517,197	15,128,621
EQUITY			
	14.26		
Share capital		4,379,768	4,379,768
Capital reserves		441,999	441,999
Profit reserves		439,093	439,093
Fair value reserves		-31,257	-68,659
Retained net profit or loss		2,851,705	1,688,959
Total equity		8,081,309	6,881,160
LIABILITIES			
Non-current financial liabilities	14.27	2,136,547	3,253,974
Non-current financial liabilities arising from leases	14.28	119,752	139,869
Non-current operating and other liabilities	14.29	0	0
Provisions	14.30	111,746	134,761
Non-current liabilities arising from contracts with customers	14.31	0	0
Total non-current liabilities		2,368,046	3,528,604
Short-term financial liabilities	14.32	977,559	810,381
Short-term financial liabilities arising from leases	14.33	45,882	39,287
Short-term operating liabilities	14.34	2,102,889	1,966,852
Liabilities arising from contracts with customers	14.34	1,941,512	1,763,939
Income tax liabilities	14.35	0	138,398
Total current liabilities		5,067,842	4,718,857
Total liabilities		7,435,888	8,247,461
Total equity and liabilities		15,517,197	15,128,621

14.3 Statement of changes in equity of Datalab d.d. for the period from 1 July 2021 to 30 June 2022

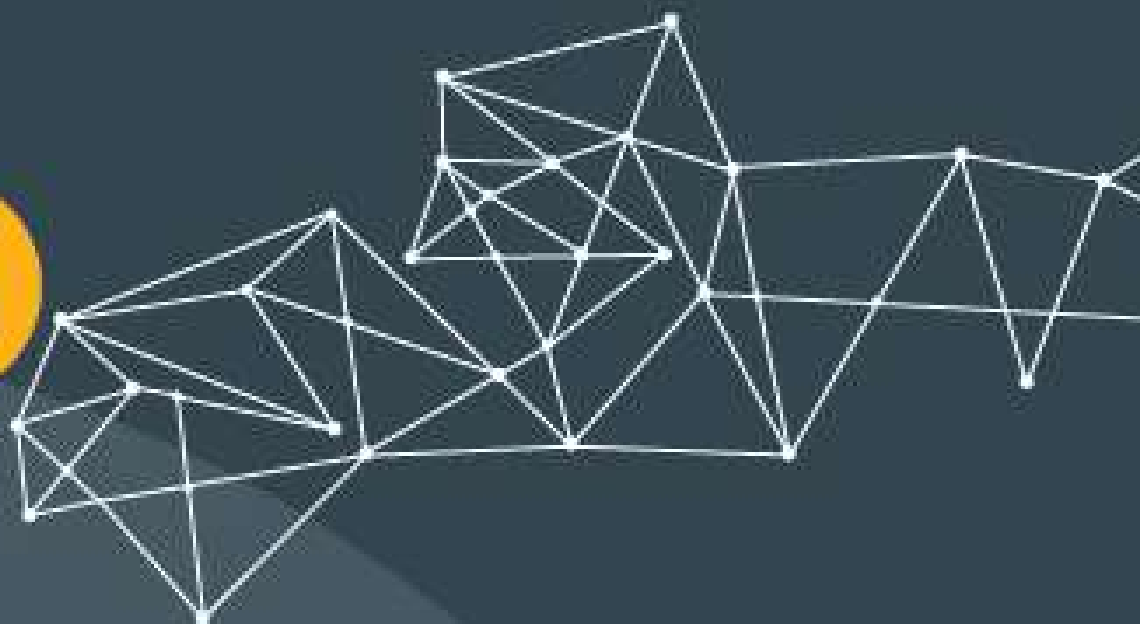
	Share capital	Capital reserves	Statutory reserves	Own share reserves	Own shares and interests (as deduction item)	Fair value reserves	Retained earnings	Total
A. Initial balance for the period	4,379,768	441,999	437,977	21,655	-20,538	-68,659	1,688,959	6,881,160
B. Changes in equity – transactions with owners	0	0	0	0	5,294	0	-893,665	-888,371
b) Disposal or withdrawal of own shares and own interests	0	0	0	0	285,870	0	0	285,870
c) Purchase of own shares and own interests	0	0	0	0	-280,575	0	0	-280,575
d) Dividends paid	0	0	0	0	0	0	-735,665	-735,665
e) Other changes in equity	0	0	0	0	0	0	-158,000	-158,000
C. Total comprehensive income for the period	0	0	0	0	0	32,274	2,056,246	2,088,520
a) Net profit or loss for the reporting period	0	0	0	0	0	0	2,056,246	2,056,246
(b) Other components of comprehensive income of the reporting period	0	0	0	0	0	32,274	0	32,274
D. Changes in equity	0	0	0	-5,294	0	5,129	165	0
b) Release of reserves for own shares and allocation to other equity components	0	0	0	-5,294	0	0	5,294	0
e) Other changes in equity	0	0	0	0	0	5,129	-5,129	0
E. Closing balance for the period	4,379,768	441,999	437,977	16,360	-15,244	-31,257	2,851,705	8,081,309

14.4 Statement of changes in equity of Datalab d.d. for the period from 1 July 2020 to 30 June 2021

	Share capital	Capital reserves	Statutory reserves	Own share reserves	Own shares and interests (as deduction item)	Fair value reserves	Retained earnings	Total
A. Initial balance for the period	4,379,768	441,999	437,977	154,922	-153,806	-26,218	643,340	5,877,982
B. Changes in equity – transactions with owners	0	0	0	0	133,267	0	-852,973	-719,706
b) Disposal or withdrawal of own shares and own interests	0	0	0	0	264,618	0	-12,973	251,645
c) Purchase of own shares and own interests	0	0	0	0	-131,350	0	0	-131,350
d) Dividends paid	0	0	0	0	0	0	-700,000	-700,000
e) Other changes in equity	0	0	0	0	0	0	-140,000	-140,000
C. Total comprehensive income for the period	0	0	0	0	0	-42,473	1,765,356	1,722,883
a) Net profit or loss for the reporting period	0	0	0	0	0	0	1,765,356	1,765,356
(b) Other components of comprehensive income of the reporting period	0	0	0	0	0	-42,473	0	-42,473
D. Changes in equity	0	0	0	- 133,267	0	31	133,236	0
b) Release of reserves for own shares and allocation to other equity components	0	0	0	-	0	0	133,267	0
e) Other changes in equity	0	0	0	0	0	31	-31	0
E. Closing balance for the period	4,379,768	441,999	437,977	21,655	-20,538	-68,659	1,688,959	6,881,160

14.5 Cash flow statement of Datalab d.d. for the period from 1 July 2021 to 30 June 2022

Financial statements as at:	FY'22	FY'21
CASH FLOWS FROM OPERATIONS		
Net profit or loss	2,056,246	1,765,356
Adjustments for:		
Depreciation of property, plant and equipment	76,181	46,219
Depreciation of right of use	44,933	52,915
Depreciation of intangible assets	2,580,472	2,335,530
Impairment, write-off/reversal of impairment of non-current assets	0	1,004
- Profit or loss from the disposal of property, plant and equipment, intangible assets	-447	-1,115
Net (decrease)/increase in value adjustment for receivables	5,903	11,664
Net financial (income)/expenses	-368,891	17,011
Net decrease/creation of provisions for employee benefits	12,018	11,384
Impairment, write-offs, revaluation of liabilities	331,641	0
Net decrease/creation of other provisions and deferred income	0	0
Tax expense	119,335	
Income tax expense	-265,263	0
Change in deferred tax assets and liabilities	0	5,475
Cash flow from operations before changes in working capital	4,592,128	4,245,443
Change in operating receivables	-705,225	157,108
Change in other assets and advances	209,419	0
Change in the operating liabilities	236,829	113,114
Change in other liabilities, short-term deferred income, accrued costs	376,629	304,527
Changes in net working capital	117,652	574,749
Net cash flow from operating activities	4,709,780	4,820,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from the disposal of property, plant and equipment	870	1,115
Cash receipts from the disposal of financial investments	0	3,377
Cash receipts from loans granted and deposits	120,660	44,978
Interest received	5,671	2,850
Dividends received	494,889	39,915
Cash disbursements for acquiring intangible assets	-3,019,879	-2,736,456
Cash disbursements for acquiring property, plant and equipment	-42,052	-205,968
Cash disbursements for loans granted and deposits	-300,000	-247,400
Cash disbursements for the recapitalization of a subsidiary	0	-260,000
Net cash flow from investing activities	-2,739,841	-3,357,589
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from loans	0	2,000,000
Interest disbursements relating to financing	-75,151	-205,053
Interest disbursements relating to the right of use	-4,309	-5,533
Cash disbursements for the repayment of financial liabilities	-830,255	-176,248
Cash disbursements for the repayment of financial liabilities arising from leases	-39,153	-46,191
Dividends paid	-1,440,739	0
Purchase of own shares	-280,575	-57,600
Net cash flow from financing activities	-2,670,182	1,509,375
Net increase/(decrease) of cash and cash equivalents	-700,243	2,971,978
Cash and cash equivalents at the beginning of the year	3,260,561	288,583
Cash and cash equivalents at the end of the year	2,560,318	3,260,561



15 Notes To the Financial Statements

15.1 Reporting company

Datalab d.d., Ljubljana, is a publicly-traded company incorporated in the Republic of Slovenia. The company's shares are listed on the Ljubljana Stock Exchange.

The main objective of the group is developing of a powerful and reliable ERP system for micro, small and mid-size businesses.

The group's principal business activity is: 58.290 – Other software publishing.

Datalab d.d. had 50 employees as at 30 June 2022.

The financial statements of Datalab d.d., Ljubljana, for the year ending 30 June 2022 were approved at a meeting of the Board of Directors on 25 October 2022.

15.2 The basis for drawing up

a) Statement of compliance

The financial statements are prepared in accordance with IFRS as adopted by the European Community and in accordance with the Interpretations (IFRIC) adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Slovenian Companies Act.

New standards and interpretations that have not yet entered into effect as at 30 June 2022:

The standards and interpretations set out below have not yet entered into effect and have not been applied in the preparation of the financial statements as at 30 June 2022:

- **IFRS 17: Insurance Contracts**
The Standard is effective for annual periods beginning on or after 1 January 2021, with early application permitted provided that the entity also reports under IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. In March 2020, the IASB decided to defer the effective date of the standard until 2023. IFRS 17 Insurance Contracts therefore provides guidance on the recognition, measurement, presentation and disclosure of insurance contracts issued. At the same time, the standard requires the application of similar principles to reinsurance contracts and investment contracts with discretionary participation. The objective of the Standard is to ensure that entities include relevant information in presentations in a manner that faithfully reflects those contracts. Users of financial statements use that information to assess the effect of contracts within the scope of IFRS 17 on the entity's financial position, financial performance and cash flows. The standard has not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.
- **IFRS 17 Insurance Contracts (Amendments), IFRS 4 Insurance Contracts (Amendments)**
The amendments to IFRS 17 are effective for annual periods beginning on or after 1 January 2023 and should be applied retrospectively by entities. Early application of the amendments is permitted. The amendments are intended to make it easier for entities to apply IFRS 17. In particular, the amendments simplify some of the requirements of the standard and reduce the associated costs for an entity, provide an easier explanation of its financial performance and simplify the transition to the new standard by delaying the effective date until 2023, while providing additional relief for the first adoption of IFRS 17.

The amendments to IFRS 4 change the specified expiry date of the temporary relief in IFRS 4 Insurance Contracts from the application of IFRS 9 Financial Instruments. As a result, entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to IFRS 17 have not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sales or contributions of assets between an investor and its associate/joint Venture**
The amendments address a known inconsistency between the requirements of IFRS 10 and those of IAS 28 in the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main effect of the amendments is that an entity recognizes the full amount of the gain or loss when the transaction involves a business (whether or not it is located in a subsidiary). For transactions in assets that do not involve a business, only a portion of the gain or loss is recognized even when the assets are located in a subsidiary. In December 2015, the IASB postponed the effective date of the standard indefinitely, pending the results of the research project on the equity method of accounting for assets. The amendments to the standard have not yet been approved by the European Union. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.
- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
The amendments are effective for annual periods beginning on or after 1 January 2022. Early application of the amendments is permitted. In response to the Covid-19 coronavirus pandemic, the IASB delayed the effective date by one year, to 1 January 2023, to provide entities with sufficient time to make any changes to the classification of liabilities as a result of the amendments to the standard. The amendments are intended to assist entities in deciding whether to classify debt and other liabilities with uncertain settlement dates as current or non-current liabilities in the statement of financial position, thereby providing greater consistency in complying with the requirements of the standard. The amendments affect the presentation of liabilities in the statement of financial position but do not change the existing requirements relating to the measurement or recognition period of either assets, liabilities, revenue or expenses or the disclosures about those items. The amendments also clarify the requirements related to the classification of debt that an entity may settle by issuing its own equity instruments. In November 2021, the IASB issued an Exposure Draft (ED) that clarifies how an entity treats liabilities that are subject to covenants that are due to be met at a date after the reporting period.

In particular, the IASB proposes a limited scope of amendments to IAS 1 that effectively repeal the 2020 amendments that require an entity to classify as current liabilities the obligations related to the covenants that are not required to be met until within the next twelve months after the reporting period if it is not meeting them at the end of the reporting period.

Instead, the proposed amendments require an entity to present separately and make additional disclosures about any non-current liabilities that have associated covenants that it is not required to fulfil until within the next 12 months after the reporting period if it is not meeting them at the end of the reporting period.

The proposed amendments are effective for annual periods beginning on or after 1 January 2024 and, in accordance with the requirements of IAS 8, an entity shall apply them retrospectively. Early application of the amendments is permitted. The IASB also proposed to defer the effective date of the amendments from 2020, which means that an entity does not need to change its existing practice before the proposed amendments become effective. Management has assessed the impact of the standard and does not consider that it has a material impact on the Group's financial statements.

- IAS 1 Presentation of Financial Statements and Position 2 of IFRS: Disclosures of Accounting Policies (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. The Amendments provide guidance for assessing materiality in the disclosure of accounting policies. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. The Framework also provides guidance and illustrative examples to assist in applying the concept of materiality in assessing the disclosure of accounting policies. The amendments to the Standard have not yet been approved by the EU. Management has assessed the impact of the Standard and does not consider it to have a material impact on the Group's financial statements.

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements to IFRS Standards 2018–2020 (Amendments)
- The amendments are effective for annual periods beginning on or after 1 January 2022. Early application of the amendments is permitted. The IASB has issued the following limited amendments to IFRS Standards:

- The amendments to IFRS 3 Business Combinations are intended to update the reference in IFRS 3 to the underlying framework of financial reporting standards, but do not change the accounting requirements for accounting for business combinations.
- The amendments to IAS 16 Property, Plant and Equipment prohibit an entity from deducting from the cost of property, plant and equipment the proceeds from the sale of products during the period in which the asset is being prepared for its intended use. An entity shall recognize the proceeds from the sale and the related costs in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) The Amendments specify the costs that an entity considers in determining the cost of completing a contract when deciding whether the contract is onerous.
- The Annual Improvements to IFRS Standards 2018–2020 make some minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples to IFRS 16 Leases.

The updated standards have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)

The amendments to the standard are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. The amendments address changes in accounting policies and accounting estimates at or after the beginning of the period and define accounting estimates as monetary amounts in financial statements that have measurement uncertainty associated with them. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and corrections of errors. The amendments to the standard have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

- IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023. Early application of the amendments is permitted. In May 2021, the IASB issued amendments to IAS 12 to restrict the application of the initial recognition exemption under IAS 12 and to specify how an entity should account for deferred tax on certain transactions, such as leases and decommissioning liabilities. Under the amendments, the exception does not apply to transactions for which the taxable amount at initial recognition is equal to the amount of deductible temporary differences. The exception applies only if, upon the recognition of the leased asset and the related liability (or the liability in connection with the decommissioning and decommissioning

of a component of the asset), the taxable amount is not equal to the amount of the deductible temporary differences. The amendments to the standard have not yet been approved by the EU. Management has assessed the impact of the standard and does not consider it to have a material impact on the Group's financial statements.

b) Basis for measurement

The financial statements were drawn up considering the historical cost or amortized cost, except in the following cases where fair value was used:

- Derivative financial instruments,
- Financial assets at fair value through profit or loss,
- Financial assets at fair value through other comprehensive income,

The methods used in measuring fair value are described in note 15.4.

c) Functional and presentation currency

The financial statements in this report are presented in euro (EUR), excluding cents. Due to rounding of figures, there may be insignificant discrepancies in the totals in the tables.

d) Use of estimates and assessments

When preparing the financial statements, the management of the Parent Company is required to make certain estimates and assumptions, which affect both the carrying value of the assets and liabilities of the Datalab Tehnologije d.d. and the reported revenue and expenses.

The valuation includes, inter alia, the determination of the useful lives and remaining values of property, plant and equipment, intangible fixed assets, accounts receivable and assumptions relevant to the actuarial calculation relating to long-term employee benefits. Notwithstanding the fact that the Parent Company's management carefully considers all factors that may affect these assumptions in making the assumptions, it is possible that the actual consequences of events may differ from those estimated. Therefore, judgement should be exercised in making accounting estimates, taking into account possible changes in the business environment, new business developments, additional information and experience.

Information about material estimates of uncertainty and critical assessments made by the Parent Company's management when preparing the financial statements relates to:

Notes (in note 15.17 and 15.29)The Company has made the following accounting assessments that have a significant effect on the determination of the amount of right-of-use and lease liabilities:

- Identification of non-lease contracts: the Group identifies a contract as a lease contract if it gives the Group the right to control the leased asset. The Group controls the asset if it has the right to use the asset and the right to the economic benefits that arise from the use of the asset.
- Determining the lease term: the Group determines the lease term as the period during which the lease cannot be terminated, together with:
 - The period for which the option to extend the lease applies, if it is reasonably certain that the option will be exercised;
 - The period for which the option to cancel applies, if it is reasonably certain that the option will not be exercised.

The lease term is not specified in most of the contracts and the Group makes an estimate based on its assessment of the needs for the use of each asset. This takes into account plans, current conditions and the Datalab d.d.'s long-term business policies.

- Determination of the discount rate: the discount rate is set at the interest rate at which the Group can obtain comparable assets in the market.

Revenue and assets from contracts with customer (notes 15.6 and 15.24)

Revenue from contracts with customers is recognized based on the terms of the individual sales contract with the customer at the time when control of the goods and services is transferred to the customer and in an amount that reflects the consideration. Revenue from contracts with customers is recognized at the fair value of the consideration received or receivable thereon, less returns, rebates and volume discounts. Revenue is recognized when the customer has taken control of the benefit from the services supplied.

Impairment testing of an investment (note 15.10)

For all investments in loans and equity, the Company performed an impairment test (including the loan and the amount paid into the capital increase invested by Datalab d.d. in its subsidiary Datalab Macedonia), which showed that no impairment was required.

Impairment testing of receivables (note 15.10)

At the time of preparation of the financial statements, Datalab d.d. provides for an adjustment or impairment of receivables that are not expected to be settled in full or at all. The adjustment is calculated using a uniform methodology applicable to the Datalab Group and is based on the probability or estimate of customer default. The methodology primarily involves the regular repayment of receivables, i.e. cash flow. Receivables that are more than 60 days past due require a more detailed analysis of the customer (review of correspondence: emails regarding repayments, confirmed outstanding items forms, reasons for irregular payments, discussions with the Sales Director, etc.). On the basis of the analysis, the probability and value of repayment is determined and adjustments for receivables are made for each customer.

Impairment testing of other assets

Information about material estimates of uncertainty and critical assessments

- Note 15.18 – Intangible assets
- Note 15.19 and 15.20 – Long-term financial investments and business combinations
- Note 15.21 – Deferred tax assets
- Note 15.38 – Financial instruments
- Note 15.3 and accounting policies – useful lives for depreciable assets

Employee post-employment benefits (note 15.30)

The present value of severance payments and long-service rewards is recorded as liabilities for employee post-employment benefits. They are recognized in the context of actuarial calculations which, due to changes in the future, may differ from the actual assumptions that will be in place at that time. This relates mainly to the determination of the discount rate, employee turnover estimates, mortality estimates and salary growth estimates. The liabilities for post-employment benefits are sensitive to changes in these estimates due to the complexity of the actuarial calculation and the long-term nature of the item.

Provisions for lawsuits and contingent liabilities (note 15.40)

Provisions for legal actions and other provisions are recognized when, as a result of a past event, a group entity has legal or constructive obligations that can be measured reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognized in the financial statements because their actual existence will be confirmed by the occurrence or non-occurrence of events only in the unknowable future, which is beyond Datalab's control. Management of the parent company regularly reviews whether it is probable that an outflow of resources embodying economic benefits will be required to settle

the obligation. If it becomes probable, the contingent liability is reclassified to a provision in the financial statements at that point in time.

e) Financial year

Financial year of Datalab is not the same as the calendar year and starts on 1 July and runs until 30 June.

15.3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company for all periods presented in the accompanying financial statements.

Except as disclosed in the notes to the financial statements, the Company has not changed its accounting policies from the previous year.

a) New standards and related notes effective from 1 January 2021

The accounting policies applied by the Group in the preparation of its financial statements are the same as those applied in the preparation of the financial statements of the previous financial year. The exceptions are the newly adopted or revised standards and the related notes adopted by the Datalab Group for the annual periods beginning on or after 1 January 2021, which are described below:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

The International Accounting Standards Board (IASB) published the second part of the interest rate benchmark reform, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to the reform of interbank offered rates (IBORs). The amendments include a temporary exemption from reporting the financial effects of replacing IBORs with an alternative, almost risk-free rate (RFR). The Amendments allow entities to apply a practical expedient in accounting for changes in the basis for determining the contractual cash flows of a financial asset or liability, whereby an entity must adjust the effective interest rate to be equivalent to the movement in the market interest rate. In addition, they permit entities to apply certain generalizations about the discontinuation of hedge accounting, including a temporary exemption from the unbundling requirement, to hedging relationships in which an alternative interest rate reference has been designated as a non-contractually determined component of the risk.

The amendments had no impact on the Group's financial statements.

Amendments to IFRS 7 – Financial Instruments

Financial instruments require a company to make disclosures that enable users of the financial statements to understand the effect of the benchmark interest rate reform on the company's financial instruments and its risk management strategy. The company shall apply the amendments retrospectively, without restating the information for prior periods.

The amendments had no impact on the Group's financial statements.

Amendment to IFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

The amendments to the Standard are effective for annual periods beginning on or after 1 April 2021. Early application is permitted even in financial statements that have not been authorized for issue at the date of publication of the amendments to the standard. In March 2021, the IASB amended the conditions for applying the practical expedient in IFRS 16, which allows a lessee not to treat lease adjustments that arise as a direct result of Covid-19 pandemic according to the guidance in IFRS 16. An entity may take advantage of this relief in the treatment of a lease adjustment, with an individual reduction affecting only payments that would have been originally due on or before 30 June 2022, provided that all the conditions for applying the practical expedient are met.

The amendments had no impact on the Group's financial statements.

b) Foreign currency

Transactions denominated in a foreign currency are translated into the respective functional currency of the Group companies at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated into the functional currency at the then prevailing exchange rate. Exchange differences, whether positive or negative, are the differences between the amortized cost in the functional currency at the beginning of the period, adjusted for the amount of effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated into the functional currency at the exchange rate at the date the fair value is determined. Exchange differences are recognized in the profit or loss statement, but this does not apply to differences arising on the translation of equity instruments classified at fair value through comprehensive income, to non-financial liabilities designated as hedges or to cash flow hedges that are recognized directly in equity.

c) Financial assets and financial liabilities

Upon their recognition, the Datalab Group classifies financial assets/liabilities into the following groups:

- (a) financial assets/liabilities measured at amortized cost,
- (b) financial assets/liabilities at fair value through other comprehensive income; and
- (c) financial assets/liabilities at fair value through profit or loss.

Financial assets

The classification of financial assets depends on the business model chosen to manage the assets and whether the Company derives contractual cash flows from financial instruments solely from payments of principal and interest on the outstanding principal amount. Financial assets are initially recognized on the date of exchange or when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when the Company transfers the rights to the contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are transferred. Except for operating receivables, which do not contain a significant financing component, upon initial recognition the Company measures the financial asset at fair value plus transaction costs.

Depending on their maturity, they are classified as either short-term financial assets (maturity up to 12 months after the statement of financial position date) or long-term (non-current) financial assets (maturity over 12 months after the statement of financial position date).

Financial assets at fair value through profit or loss include:

- -financial assets held for trading;
- -financial assets at fair value through profit or loss; and
- -financial assets that an entity is required to measure at fair value.

Financial assets held for trading are financial assets acquired with an intent to sell or repurchase them in the foreseeable future. Derivative financial instruments are classified as held-for-trading financial assets, except in the case of effective hedging instruments. Financial assets that generate cash flows other than solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model chosen.

Financial assets at fair value through profit or loss are recognized at fair value in the statement of financial position, including the net change in fair value recognized in the profit or loss statement. This group also includes derivatives and quoted investments that are not irrevocably classified by the Company as at fair value through other comprehensive income. Dividends on listed equity investments are recognized as other revenue in the profit or loss statement when the Company's right to receive payment is established. The Company's financial assets at fair value

through profit or loss comprise mainly unrealized and valued derivative financial instruments at the reporting date. The Company has no financial assets allocated to this group.

Financial assets measured at fair value through other comprehensive income that have the nature of a debt instrument are those financial assets that the Company holds within a business model for the purpose of generating contractual cash flows that represent solely payments of principal and interest on the principal outstanding and for sale. The Company has no financial assets allocated to this group.

Financial assets at fair value through other comprehensive income that have the characteristics of an equity instrument are those financial assets that meet the definition of equity in accordance with IAS 32 Financial Instruments and that the entity has elected to designate irrevocably as equity instruments at fair value through other comprehensive income and that are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are not reclassified to the profit or loss statement but are recognized in retained earnings. Dividends on equity instruments are recognized as other revenue in the profit or loss statement when the company's right to receive payment is established. The Company has no financial assets allocated to this group.

The Company classifies financial assets at amortized cost as financial assets that it holds as part of a business model to generate contractual cash flows and where the cash flows represent solely payments of principal and interest on the principal outstanding. Financial assets at amortized cost are initially recognized at fair value plus direct transaction costs. After the initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses. Gains and losses are recognized in profit or loss when the change is reversed or impaired.

Interest revenue is recognized at actual interest rates because management estimates that the effect to the effective interest rate is immaterial to the fair presentation of the financial statements. The Company classifies loans, receivables and unquoted debt securities as financial assets at amortized cost.

Financial liabilities

Financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The effective interest rate is the rate at which a debt instrument is carried at amortized cost and interest revenue/expense is consistently allocated over the life of the instrument. The effective interest rate is the rate that exactly discounts estimated cash inflows/outflows (including any loan origination costs, premiums/discounts and the like) over the expected life of the debt instrument to its net present value at the time of initial recognition.

The Company does not use the effective interest rate method, but allocates borrowing costs, if significant, to expense on a straight-line basis based on the expected repayment period of the loan; if they are not significant, it recognizes them as an expense over the period of the loan. Management believes that this is a reasonable approximation of the effective interest rate.

Financial liabilities measured at amortized cost include all operating liabilities (to suppliers and others) and loans received.

Financial liabilities are classified as non-current liabilities, except for liabilities or part of liabilities with a maturity of less than 12 months after the balance sheet date. Such liabilities are recorded as current liabilities. Operating liabilities are measured at initial recognition at the amounts recognized in the respective documents evidencing the receipt of a product or service, or work performed, or an expense charged to profit or loss.

The Company derecognizes a liability when, and only when, the liability is settled, cancelled or expires. The difference between the carrying amount of the derecognized financial liability and the consideration paid shall be recognized in profit or loss statement.

Derivative financial instruments are initially recognized at fair value. Transaction costs are recognized in profit or loss as incurred. After their initial recognition, derivatives are measured at fair value with the related changes taken into account as described below.

When a derivative is designated as a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or to highly probable forecast transactions that could affect profit or loss, the effective portion of the changes in the fair value of the derivative is recognized in other comprehensive income for the period and disclosed in the hedging reserve. The ineffective portion of changes in the fair value of the derivative is recognized directly in profit or loss. The Company expects to discontinue hedge accounting if the hedging instrument no longer meets the criteria for hedge accounting or if the hedging instrument is sold, terminated or exercised. The cumulative gain or loss recognized in other comprehensive income remains in the hedging reserve until the forecast transaction affects profit or loss. If the forecast transaction is no longer expected to occur, the amount in other comprehensive income shall be recognized directly in profit or loss. Otherwise, the amount recognized in other comprehensive income shall be reclassified to profit or loss in the same period in which the hedged item affects profit or loss.

The effects of other derivative financial instruments that are not designated as hedges of exposure to variability in cash flows or that are not attributable to a specific risk associated with a recognized asset or liability are recognized in profit or loss.

The Company does not have any designated financial instruments for hedging.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost. The Company recognizes revenue from a financial investment to the extent that it receives it on the distribution of the Company's accumulated profits arising after the date on which the investment was acquired.

Investments in affiliated companies and jointly controlled entities

Affiliated companies are companies in which the Company has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are entities whose economic activities are under the common control of the Company and which have been formed under a contractual arrangement that requires unanimous financial and operating decisions.

The Company has no investments in jointly controlled entities. Investments in affiliated companies are accounted for using the equity method in the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits.

The accounting of financial revenue and expenses is described in detail in paragraphs 15.12 and 15.13.

d) Share capital

Called-up capital

The called-up capital of the parent company Datalab d.d., Ljubljana appears as share capital, which is nominally defined in the company's articles of association, registered with the court and paid up by its owners. Dividends on ordinary shares are recognized in equity in the period in which they have been approved at a general meeting.

Reserves for own shares

If the company purchase an ownership interest in the parent company, the amount paid, including transaction costs minus tax, is deducted from the total capital as own shares until those shares are retired, reissued or sold. If the own

shares are later disposed of or reissued, any consideration received minus transaction costs and related tax effects shall be included in equity.

e) Property, plant and equipment

Tangible fixed assets (property, plant and equipment) are stated at cost less accumulated depreciation and accumulated impairment losses, except for land, which is stated at cost less any impairment. Cost includes costs directly attributable to the acquisition of an item of property, plant and equipment. Maintenance and repairs, replacements and minor improvements are recognized as an expense in the period in which they arise. Major renewals are depreciated over the remaining useful life of the related asset or to the date of the next major renewal, whichever is earlier. The remaining values and useful lives of the assets are reviewed annually and, if necessary, revised. The carrying amount of the asset is written down immediately to its recoverable amount, if the carrying amount of the asset is greater than the estimated recoverable amount, and is recognized in profit or loss.

Depreciation is calculated using the straight-line method, taking into account the useful lives of tangible assets, as follows:

Asset description	Depreciation rates in % from 1 July 2021	Depreciation rates in % before 1 June 2021
Computers	50	50
Furniture and chairs	20, 25	20, 25
Rolling stock equipment	12,5	12,5
Other equipment	20, 25	20, 25

Depreciation is charged when the asset is available for use, which is why construction in progress is not depreciated.

Gains and losses upon sale or disposal are determined by comparing the proceeds from the sale with the carrying amount. These are included in the profit or loss statement.

f) Intangible assets

An intangible asset is an asset that is used to produce or provide goods or services in the long term but does not physically exist. The Company recognizes material rights and copyrights as intangible assets. The PANTHEON program is the largest part of the Company's intangible assets.

Intangible assets are initially measured at cost. The cost of the PANTHEON program developed by the Company represents the capitalization of the costs of its development.

The Company has no intangible assets with indefinite useful lives. The estimated amortization period of the asset is 10 years.

The capitalization of PANTHEON program includes the salary costs of the staff involved in its development, as well as the services of external collaborators and minor material costs related to the development of the PANTHEON program. Once the program is developed and operational, it no longer requires maintenance, but in the event that a program feature needs to be added either at the request of a customer (program upgrade) or that a program change relates to a change in legislation and standards, this does not fall under the ongoing maintenance of the program, but under the development function, which is why any such costs are capitalized and not included directly as expense.

g) Subsequent costs

Subsequent costs related to intangible assets are capitalized only when they increase the future economic benefits arising from the asset to which the expense relates. All other costs, including intra-company goodwill and trademarks, are recognized in profit or loss as an expense as incurred.

h) Depreciation

Depreciation is calculated using the straight-line method, taking into account the useful lives of intangible assets (other than goodwill), and commences when the asset is available for use. The estimated useful lives for the current and comparative year are as follows:

Asset description	Depreciation rates in % from 1 July 2021	Depreciation rates in % before 1 June 2021
Intangible asset – PANTHEON	10	10
Material rights and copyrights	10–50	10-50

i) Inventories

Inventories of commercial goods are initially valued at cost, which includes the purchase price, import duties and direct acquisition costs. The purchase price is less any discounts received. Direct acquisition costs are transport costs, loading, handling and unloading costs, freight insurance costs, costs of monitoring the goods, costs for brokerage agency services and similar costs up to the first warehouse, if charged to the buyer, and non-refundable duties. Purchase price discounts include both those stated on the invoice and those obtained subsequently and relating to a particular purchase.

Decreases in the value of inventories of materials and small tools are charged to the cost of materials, while decreases in the value of inventories of goods are charged to the corresponding operating expenses. Consumption of commercial goods is accounted for using the average cost method.

The cost of inventories includes the purchase price, customs and other duties (other than those that the entity will subsequently recover from the tax authorities), freight, handling and other costs directly attributable to the commercial goods, materials or services acquired. Commercial discounts, other discounts and other similar items shall be deducted in determining the cost.

Material consumption is accounted for using the average cost method for the accounting period.

Net realizable value is the estimated selling price achieved in the ordinary course of business less estimated completion costs and estimated selling costs.

j) Impairment of assetsFinancial assets

Under IFRS 9, the Company recognizes not only incurred losses but also losses that are expected to be incurred in the future. A financial asset is considered impaired if there is objective evidence that, as a result of one or more events, the expected future cash flows from that asset have decreased and can be reliably measured.

Objective evidence that financial assets are impaired may include: default or breach by the debtor; restructuring of the amount owed by others to the Company if the latter agrees; indications that the debtor will enter bankruptcy; disappearance of an active market for the instrument. In the case of an investment in equity securities, objective evidence of impairment is a significant or prolonged decline in the fair value below historical cost.

Impairment of receivables and loans granted

The Company assesses evidence of impairment of receivables either individually or collectively. All material receivables are individually measured for specific impairment. If the carrying amount of a receivable is assessed to exceed its fair value, i.e. its recoverable amount, the receivable is impaired. Receivables that are presumed to be unlikely to be settled when due or in full are considered doubtful and, if litigation has been initiated, as disputed receivables.

The impairment assessment is based on expected credit losses associated with the probability of default on receivables and loans over the next 12 months, unless the credit risk has increased significantly since initial recognition. In these cases, the impairment assessment is based on the probability of default over the expected life of a financial instrument. Expected credit losses represent the difference between the contractual cash flows that are contractually due and all cash flows that the Company expects to receive.

Impairments for expected credit losses are assessed in two stages. For credit exposures for which there has been no significant increase in credit risk after initial recognition, impairment for expected credit losses is recognized for credit losses that result from defaults that are probable within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, the Company recognizes an adjustment for losses expected to be incurred over the remaining life of the exposure, regardless of the period of default.

Operating receivables that do not contain a significant financing component or for which the Company applies a practical expedient (contracts of one year or less) are measured at the transaction price determined in accordance with IFRS 15 less the amount of any impairment losses. For operating receivables, the Company uses a simplified approach to calculate expected credit losses. Thus, it does not monitor changes in credit risk, but recognizes an adjustment for expected credit losses over the entire life of the receivable at each reporting date. The basis for calculating the adjustment is a uniform methodology applicable to the Company based on the probability or estimate of customer default.

The Group assesses a financial asset as being in default when contractual payments are 90 days past due. In some cases, however, the Company may also assess increased credit risk if, based on the information provided, it is probable that the Company will not receive the full amount outstanding under the contract. The Company recognizes a write-off of a financial asset when it has a reasonable expectation that the contractual cash flows will not be recoverable.

The Company classifies the creation, reversal of adjustments and recoveries of written-off receivables as operating revenue and operating expenses, respectively, in the breakdown of the profit or loss statement.

The Company assesses evidence of impairment separately for each significant loan.

Non-financial assets

At each reporting date, the Company reviews the remaining carrying amount of the Company's non-financial assets, inventories and deferred tax assets to determine whether there is any indication of impairment. If such indicators exist, the recoverable amount of the asset is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In determining the value in use of an asset, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are aggregated into the smallest group of assets that generate cash inflows from continuing uses largely independent of those from other assets or groups of assets ('cash-generating units').

An impairment of an asset or cash-generating unit is recognized when its carrying amount exceeds its recoverable amount. Such impairment is recognized in profit or loss.

k) Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits are measured on an undiscounted basis and are recognized as an expense when the employee's service related to the defined benefit is rendered.

A liability is recognized for the amount expected to be paid in the form of a bonus payable within 12 months after the end of the service period or a profit-sharing plan if the Company has a present legal or constructive obligation to make such payments as a result of the employee's past service and the obligation can be measured reliably.

Non-current employee benefits

The Company is legally obliged to pay long-service rewards and severance payments to employees on retirement, for which a provision is made. There are no other pension obligations.

Provisions are made for estimated future severance payments and long-service rewards, discounted at the reporting date. The calculation takes into account the cost of severance payments on retirement and the cost of any expected long-service reward until retirement. Personnel and interest costs are recognized in the profit or loss statement and the translation of post-employment benefits or unrealized actuarial gains or losses is recognized in other comprehensive income.

l) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

m) Assets and liabilities from contracts with customers

The Company recognizes assets from contracts with customers. These represent short-term accrued revenue for subsidiaries and, therefore, short-term operating receivables from group companies and assets from contracts with customers should be treated together.

The Company recognizes liabilities from contracts with customers for deferred revenue from upgrade contracts that are contractually billed on an annual basis. Revenue is deferred according to the share attributable to the financial year.

n) Revenue

Revenue from contracts with customers is recognized based on the terms of the individual sales contract when control of the goods or services passes to the customer in an amount that reflects the consideration to which the Company believes it will be entitled in exchange for those goods or services. Control over the goods or services depends on the terms of the sales contract, and the transfer generally occurs when the goods are accepted by the buyer or the services are rendered.

The Company assesses whether the contract contains other promises that are separate performance obligations to which it should allocate a portion of the transaction price. In determining the transaction price of the products sold, the Company considers the effects of variable consideration and the existence of significant financing components in the contract.

If the contractual consideration is variable, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The limited variable consideration that the Company estimates at the inception of the contract remains limited until it is no longer probable that there will be a material reduction in the amount of total revenue recognized and the uncertainty associated with the variable consideration is subsequently eliminated. Under certain contracts for the sale of products, customers have the right to refunds and bonuses and volume discounts. The right to refunds, bonuses and volume discounts results in variable consideration.

In some cases, the Company receives short-term advances from its customers. Based on the practical expedient in paragraph 63 of IFRS 15, it does not adjust the amount of consideration promised for the effects of a significant

financing component because, at the inception of the contract, it expects the period from the transfer of the promised good or service to the customer until the consideration for that good or service is paid to be less than one year.

Revenue from the sale of products

Revenue from the sale of products is recognized at the fair value of the consideration received or receivable, less returns, resale allowances and volume discounts. Revenue is recognized when the buyer has assumed all significant risks and rewards of ownership of the asset, there is certainty that the consideration and related costs will be recoverable or that the products will be returned, the Company has ceased to make any further decisions about the products sold and the amount of revenue can be measured reliably.

The transfer of risks and rewards depends on the individual terms of the sales contract. In the case of the sale of goods, the transfer usually takes place after the goods have arrived at the buyer's warehouse, but in some international shipments the transfer takes place when the goods are loaded onto the means of transport.

Revenue from services rendered

Revenue from services rendered is recognized in the profit or loss statement based on the stage of completion of the transaction at the reporting date, which is determined using the input method (progress towards meeting the performance commitment is determined by direct comparison of the level of inputs of the organization). The stage of completion is assessed by reviewing the work performed.

The majority of the company's revenue is generated from the sale of licenses and upgrade contracts, user's (hosting) subscriptions and the ServiceDesk quick-response service. Revenue from the sale of licenses is fully recognized at the time the sales contract is entered into, while, as from 1 July 2018, revenue from upgrade contracts is deferred to the period to which it relates in accordance with IFRS 15.

For the purpose of revenue recognition under IFRS 15, the license agreement and the first upgrade contract entered into at the same time are treated in accordance with IFRS 15.17 because they were entered into by the Company with the same customer at (almost) the same time, with a single commercial objective. As an upgrade contract is typically entered into for a period of 1 year, the Company applies the practical expedient in IFRS 15.94 to the first upgrade contract, so that the costs of obtaining both contracts (agent/partner fees) are recognized as incurred, i.e. at the inception of the contract.

Revenue from leases

Revenue from leases of investment property is recognized in revenue on a straight-line basis over the lease term. Any incentives granted in relation to leases are recognized as a component of total revenue from leases.

o) Government grants

Government grants are initially recognized in the financial statements as deferred revenue when there is reasonable assurance that the Company will receive the grants and that it will comply with the conditions attached to them. Government grants received for the purpose of defraying costs are recognized as income on a strictly consistent basis in the periods in which the related costs to be defrayed are incurred. Asset-related government grants are recognized in the profit or loss statement on a strictly consistent basis within other operating revenue over the useful life of the asset. The Company does not recognize salary allowances (sickness, nursing, etc.) as revenue but as a reduction of labor costs.

p) Financial revenue and financial expenses

Financial revenue includes interest revenue on investments, dividend revenue, proceeds from the disposal of financial assets, changes in the fair value of financial assets and liabilities at fair value through profit or loss and gains on hedging instruments recognized in profit or loss. Interest revenue is recognized in profit or loss when it arises, if material, using the effective interest method. Dividend revenue is recognized in profit or loss on the date on which the

shareholder's right to receive payment is established, which for listed entities is generally the date on which the right to receive the current dividend ceases to be associated with the share.

Financial expenses include borrowing costs, differences from recalculating the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses on financial assets and losses on hedging instruments recognized in the profit or loss statement. Borrowing costs are recognized in the profit or loss statement, if significant, using the effective interest method.

Foreign exchange gains and losses are reported net.

q) Income tax expense

Tax on profit or loss for the year includes current and deferred tax. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items that are recognized directly in equity and are therefore recognized in equity.

Current tax is the tax (on income) expected to be payable on taxable profits for the financial year, using tax rates effective or substantively effective at the reporting date and any adjustment to tax liabilities in respect of previous financial years.

Deferred tax is accounted for using the balance sheet liability method, taking into account temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts for tax reporting purposes. The following temporary differences are not taken into account: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Furthermore, deferred tax is not recognized for taxable temporary differences on initial recognition of goodwill. Deferred tax is recognized to the extent that it is expected to be payable when the temporary differences reverse, based on laws enacted or substantively enacted at the reporting date. The Company offsets deferred tax assets and liabilities when it has a legally enforceable right to set off recognized tax assets and liabilities and they relate to income taxes payable by the same taxing authority in respect of the same taxable entity; or different taxable entities that intend either to settle the tax assets and liabilities with the difference or to recover the assets and settle the liabilities simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be used in the future. Deferred tax assets are decreased by the amount for which it is no longer probable that the tax benefit associated with the asset will be available.

15.4 Fair value measurement

In many cases, the Company's accounting policies and breakdowns require the determination of the fair value of both financial and non-financial assets and liabilities. The Company has determined the fair values of each class of assets for measurement or reporting purposes using the methods described below. Where additional explanatory information is required regarding the assumptions used to determine fair values, such information is provided in the breakdowns of the Company's individual assets or liabilities.

Fair value hierarchy

The following hierarchy has been applied in recognizing and disclosing the fair value of financial instruments using a valuation technique:

Level 1: Determining fair value directly by reference to an officially published price in an active market.

Level 2: Other methods for determining fair value based on assumptions that have a significant effect on fair value and that are consistent with observable current market transactions in the same instruments, either directly or indirectly.

Level 3: Other methods for determining fair value based on assumptions that have a significant effect on fair value and are not consistent with observable current market transactions in the same instruments.

Tangible fixed assets

The fair value of property, plant and equipment from business combinations is their market value. The market value of property is the estimated value at which the property could be exchanged, at the date of valuation and after appropriate marketing, in an arm's length transaction between a willing seller and a willing buyer, the parties being well informed and acting reasonably, without compulsion and independently. The market value of plant, equipment and inventories is based on the offered market price of similar items.

Intangible assets

The fair value of patents and trademarks acquired in business combinations is based on the estimated discounted future value of the royalties that will not be required to be paid as a result of owning the patent or trademark. The fair value of other intangible assets is determined by taking the current value of the estimated future cash flows expected to arise from their use and eventual sale.

Operating and other receivables

The fair value of operating and other receivables is calculated as the present value of future cash flows, discounted at the market interest rate at the reporting date.

Non-derivative financial liabilities

For reporting purposes, fair value is calculated based on the present value of future payments of principal and interest, discounted at the market interest rate at the reporting date. For finance leases, the market rate is determined by comparison with similar lease contracts.

15.5 Financial risk management

The Company does not use financial instruments for hedging. The Company assesses financial risks in the following groups:

- credit risk
- liquidity risk
- market risk

This chapter discusses the Company and its exposure to each of these risks, its objectives, policies and processes for measuring and managing risks, and its capital management. Other quantitative disclosures are included later in the notes to the financial statements.

Management is fully responsible for establishing the Company's risk management framework. The implementation of activities related to risk management is monitored by the finance, accounting and controlling departments and reported to the CEO.

Risk management guidelines are designed to identify and analyze the risks that the Company is facing, which are used to set appropriate limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are regularly reviewed to provide up-to-date information on changing market conditions and the Company's activities. Using training as well as risk management standards and procedures, the Company aims to develop a disciplined and constructive environment in which all employees are aware of their roles and responsibilities.

The Board of Directors ensures compliance with risk management policies and procedures and assesses the adequacy of the risk management framework in relation to the risks that the Company is facing.

Credit risk

Credit risk is the risk for the Company to incur a financial loss if a party or counterparty to a financial instrument contract fails to meet its contractual obligations. Credit risk arises primarily from the Company's receivables from customers and investment securities.

Operating and other receivables

The Company's exposure to credit risk depends mainly on the characteristics of individual customers. The demographic factors of the Company's customer base and the payment risk from the perspective of the industry or country in which the customer operates have no significant impact on credit risk. Geographically speaking, there is no concentration of credit risk.

The Company has a credit policy to subject each new customer to a creditworthiness analysis before the Company offers standard payment and delivery terms. The review includes external assessments, if any, and in some cases bank references. Purchase limits – to be set in the form of a maximum outstanding amount not subject to confirmation – are established on a customer-by-customer basis. Customers who do not meet the Company's creditworthiness standards are required to make advance payments.

The Company makes an impairment adjustment representing the amount of estimated losses on operating and other receivables and investments. The main components of this adjustment are the specific portion of the loss that relates to individual significant risks and the aggregate portion of the loss that is established for groups of similar assets for losses incurred but not yet identified. The adjustment for total loss is determined by taking into account historical data relating to the payment statistics of similar financial assets.

Guarantees

In accordance with its policy and financial capacity, the Company only provides financial guarantees to wholly-owned subsidiaries of the parent company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle its financial liabilities as they fall due. The Company ensures maximum liquidity by ensuring that it has sufficient liquid assets at all times to settle its liabilities when due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has several credit lines for ensuring liquidity, from which it can draw funds from if the need arises. On an ongoing basis, liabilities are also financed by repayment of operating receivables. The table below provides an overview of financial and operating payables by debt maturity.

FY'22	Carrying amount of liability	Liability	Contractual cash flows			
			1–3 months	3 months to 1 year	2 to 5 years	Over 5 years
Non-current financial liabilities	2,136,547	2,212,671	0	0	2,050,718	161,952
Non-current financial liabilities arising from leases	119,752	123,213	0	0	123,213	0
Short-term financial liabilities	977,559	1,024,543	185,781	838,762	0	0

Short-term financial liabilities arising from leases	45,882	49,458	12,503	36,955	0	0
Short-term operating liabilities and income tax liabilities	2,102,889	2,102,889	2,102,889	0	0	0
Balance as at 30 July 2022	5,382,630	5,512,775	2,301,173	875,717	2,173,932	161,952

FY'21		Contractual cash flows					
		Carrying amount of liability	Liability	1–3 months	3 months to 1 year	2 to 5 years	Over 5 years
Non-current liabilities	financial	3,253,974	3,377,385	0	0	2,820,551	556,834
Non-current liabilities arising from leases	financial	139,869	146,066	0	0	146,066	
Short-term financial liabilities		810,381	869,200	277,401	591,800	0	0
Short-term financial liabilities arising from leases		39,287	43,695	11,000	32,695	0	0
Short-term operating liabilities and income tax liabilities		2,105,250	2,105,250	2,105,250	0	0	0
Balance as at 30 June 2021		6,348,760	6,541,596	2,393,651	624,494	2,966,617	556,834

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity instruments, will affect the Company's revenue or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within reasonable limits while optimizing profit.

Currency risk

The currency in which the Company operates is EUR, therefore the Company is not exposed to currency risk in its sales, purchases or lending activities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Most of Company's debt resources are linked to floating interest rates, thus the Company's exposure to interest rate risk is moderate. Interest rate risk is avoided by adjusting the interest rates on the asset side to the interest rates on the liability side and by running simulations on the balance sheet to absorb the funding related to interest rate changes.

The cash flow sensitivity analysis for variable rate instruments is presented in the table below:

In EUR	FY'22	FY'21
Financial instruments with fixed interest rate	428,952	424,726
Financial assets	563,689	686,364

Financial liabilities	-134,736	-261,638
Financial instruments with variable interest rate	-2,845,004	-3,981,872
Financial assets	300,000	0
Financial liabilities	-3,145,004	-3,981,872
Increase in variable interest rate by 1%/impact on profit or loss	-25,018	-34,134
Decrease in variable interest rate by -1%/impact on profit or loss	25,018	34,134

Capital management

The Board of Directors has decided to maintain a large capital base in order to ensure the confidence of investors, creditors and the market and to ensure the sustainable development of the Company. The Board monitors the return on capital, which the Company has defined as net operating revenue divided by total share capital, excluding non-redeemable preference shares and minority interests. The Board also monitors the level of dividends paid to ordinary shareholders.

The Company strives to maintain a balance between the higher yields that would be made possible by increased borrowing and the benefits and security of a strong capital position.

The Company monitors capital movements using a leverage ratio calculated by dividing net liabilities by total liabilities and total capital, as shown in the table below.

Item	FY'22	FY'21
Financial liabilities=FL	3,279,741	4,243,510
Operating liabilities=OL	4,044,401	3,869,189
Cash=C	2,560,318	3,260,561
Net liabilities=FL+OL+C	4,763,824	4,852,138
Equity	8,081,309	6,881,160
Equity + net liabilities	12,845,132	11,733,298
Leverage ratio (Net liabilities / (Equity + Net liabilities))	37%	41%

The Company occasionally repurchases its own shares in the market, the timing of these transactions depending on the market price of the share. These shares are principally held for use in connection with the issue of shares under a share option plan. Purchase and sale decisions are taken by the Risk Management Committee on a transaction-by-transaction basis. The Company does not have a specific plan for the repurchase of own shares.

There was no change in the way the Company manages its capital in the reporting year.

Neither the parent company nor its subsidiaries are subject to capital requirements set by external authorities.

15.6 Sales revenue from contracts with customers

	FY'22	FY'21
Sales revenue from contracts with customers	6,563,324	5,652,919
Net revenue from sales in the domestic market	2,520,981	2,385,727
Group companies	2,519,832	2,385,727
Other	1,149	0
Net revenue from sales in the foreign markets	4,042,343	3,267,192
Group companies	3,734,621	3,072,510
Affiliated companies	10,926	10,989
Other	296,796	183,693

The majority of sales revenue is generated from PANTHEON licenses, upgrade contracts, user's (hosting) subscriptions and the ServiceDesk quick-response service.

Sales revenue from contracts with customers increased by just over 16% in the 2022 financial year compared to the previous year. There was an increase in both domestic (+6%) and foreign (+24%) sales revenue.

15.7 Other operating revenue

	FY'22	FY'21
Other operating revenue	3,253,550	2,732,279
Capitalized own products and own services	3,014,129	2,727,357
Other	239,421	4,922

The bulk of the other operating revenue is accounted for by capitalized own products and services, which represent the development of the PANTHEON software in its entirety amounting to EUR 3,014,129 (in the 2021 financial year: EUR 2,727,357).

In the last financial year, we started a new DCD (Datalab Community Development) project. The main objectives of the project are: to provide timely and crucial information for PANTHEON users, to improve the quality of written and video instructions for PANTHEON use and to standardize instructions, training, innovations and software self-testing by creating a high quality and new PANTHEON demo database. The capitalized costs of this project amounted to EUR 232,287 this year and EUR 236,124 last year.

Other operating revenue in the previous year includes recognized costs in legal proceedings, revenue related to the amendment of a lease agreement under IFRS16 and revenue from the sale of fixed assets (end-of-life computers).

The amount of EUR 239,421 in the current financial year includes revenue from the write-off of liabilities due to the waiver of claims on the Company (EUR 138,474), tax accrued and paid abroad after deduction on payment of license fees to the parent company (EUR 54,144), the reversal of part of the liability for accrued unused leave costs (EUR 38,723; higher balance of liabilities at the end of the previous financial year was because, due to Covid legislation, employees were entitled to use the previous year's leave until 31 December instead of only until 30 June) and revenue from the payment or reversal of an adjustment for receivables made in previous years (EUR 5,152).

The company did not receive any state grants in the current financial year (crisis allowance of EUR 157 paid in the previous year).

15.8 Cost of goods, material and services

The cost of materials is the quantity of direct materials consumed. It is not revalued due to changes in the purchasing power of the currency. The cost of services are costs that are not treated as material, depreciation or labor costs, but are transport costs, costs of production rates provided by others, utilities, telecommunication services, rents, payment services and similar costs. The cost of services also includes costs under contracts of employment, copyright contracts or costs of services arising from legal relationships other than employment relationships with natural persons.

The cost of goods, materials and services includes:

In EUR	FY'22	FY'21
Cost of goods, materials and services	2,473,764	1,864,887
Cost of energy	15,692	7,457
Other costs of materials	7,249	5,696
Transport services	15,272	15,945
Cost of services related to maintenance of fixed assets	134,193	86,918
Leases	0	600
Reimbursement to employees for work-related expenses	15,606	1,809
Cost of payment services, banking services and insurance premiums	20,684	20,892
Cost of intellectual and personal services	653,119	690,858
Cost of exhibitions, advertising, promotion and representation	47,043	20,245
Cost of services of private individuals	630,048	296,925
Cost of other services	922,614	710,457
Bonuses to trainees and students	12,244	7,084

The costs of intellectual and personal services and other service costs are mainly the costs of external contractors related to the creation, updating and further development of PANTHEON. The cost of services of private individuals include compensation and remuneration of the members of the Board of Directors and the Audit Committee and other remuneration based on Board of Directors' decisions to employees of subsidiaries or contractual employees providing services to the parent company.

15.9 Labor costs

Labor costs and employee compensation costs are calculated in accordance with the law, the collective agreement, the company's general act or the employment contract. The accounted labor costs correspond to related short-term debts until they are settled. Liabilities for salaries are represented as liabilities to individual employees in their net amounts and as withheld tax obligations, included in their gross salaries. In addition, liabilities and benefits accrued on the basis of gross salaries, which are not an integral part of gross salaries, are also shown. Voluntary supplementary pension insurance is provided for employees under a collective pension scheme with a pension

scheme provider that is approved and registered in a special register under the rules governing voluntary supplementary pension and disability insurance.

As at 30 June 2022, the Company has recalculated the actuarial provision for long-service rewards and severance payments; the current service cost based on the actuarial calculation of EUR 12,372 is included in other labor costs.

Other labor costs also include the estimated cost of unused annual leave, which at 30 June 2022 is down by EUR 38,157 on the previous year (up by EUR 66,104 in the previous year) due to the change in the legislation concerning the entitlement to take leave for the previous year, which was in force at the time of the measures in force to mitigate the effects of the Covid epidemic¹⁹ (in the previous financial year, the entitlement to take leave from the previous year was extended to 31 December instead of the previous 30 June, and in the current year it is again extended to 30 June); the reduction or reversal of part of the liability is recognized in other revenue.

Labor costs include:

In EUR	FY'22	FY'21
Labor costs	2,249,505	2,113,861
Wages and salaries	1,752,425	1,558,691
Pension insurance costs	163,102	145,763
Other social security costs	131,893	114,397
Other labor costs	202,084	295,009

Remuneration of members of the Board of Directors

The company is managed on a single-tier system: the company is run by a board of directors, which includes the executive directors.

The composition of the members of the Board of Directors of the Company is presented in the Corporate Governance Statement / Board of Directors section of the Annual Report.

The members of the Board of Directors received a total of EUR 330,571 (previous year: EUR 435,233) for their duties in the company during the financial year.

Remuneration includes: salaries and other employment benefits (annual leave bonus, travel and subsistence allowances, bonuses) for the Executive Directors, allowances for the external members of the Board of Directors and attendance fees (all members of the Board of Directors), bonus payments based on the decisions of the General Meeting (no payments in the current financial year), and allowances in respect of personal guarantees given by members for loans received from the parent company.

The amount of remuneration includes remuneration in the period (i.e. payments) and not the accrued liability for the period. For members appointed to the Board of Directors during the financial year, remuneration only includes remuneration from the date of appointment.

Amounts shown are gross¹.

15.10 Impairment of receivables and other assets

Impairment charges on receivables and other assets for the year amounted to EUR 4,667. The Company made an impairment allowance on trade receivables of EUR 1,279 and on other receivables of EUR 3,377.

However, in the previous year the Company made an impairment loss of EUR 11,664 on its receivables from Datalab KS.

In EUR	FY'21	FY'21
Impairment of receivables and other assets	4,667	11,664
Impairment of receivables and other assets due from others	4,667	11,664

15.11 Other operating expenses

In EUR	FY'22	FY'21
Other operating expenses	61,801	32,780
Other costs	61,801	32,780

The bulk of other expenditure in the 2022 financial year is made up of fines and fees, donations and other expenditure, compared to donations and other expenditure in the previous year.

15.12 Financial revenue

In EUR	FY'22	FY'21
Financial revenue	506,138	68,765
Financial revenue from interests in group companies	494,889	39,915
Financial revenue from interests in affiliated companies	0	2,128
Financial revenue from revaluation of liabilities	4,502	20,877
Interest on loans granted to group companies	0	0
Interest on loans granted to affiliated companies	0	0
Interest on loans granted to others	6,744	5,815
Interest on operating receivables due from others	3	30

Financial revenue from equity interests in group companies represents the distribution of profits of the subsidiaries Datalab HR, Datalab SR and Datalab BA to the parent company.

The financial revenue from the revaluation of liabilities arises from the reversal of a liability for shares surrendered whose historical cost was lower than the price at which the liability was recognized.

In the previous year, revenue from equity interests in group companies represented the payment of the profit of the subsidiary Datalab HR to the parent company, while financial revenue from equity interests in subsidiaries resulted from the sale of the stake in Datalab Automotive d.o.o. (24.99%), while the financial revenue from revaluation of liabilities represented the amount of the revaluation of the liability for the acquisition of the shares lent by Andrej Mertl to the stock exchange price as at 30 June 2021 (4.60) compared to the stock exchange price as at 30 June 2020 (4.80).

15.13 Financial expenses

In EUR	FY'22	FY'21
Financial expenses	656,107	86,878
Financial expenses for impairments and write-downs of financial investments	1,245	1,004
Financial expenses for impairment of other investments	1,245	0
Loss on disposal of financial investments	0	1,004
Financial expenses for financial liabilities	144,805	85,837
Interest on loans received from group companies	0	550
Interest on loans received from banks	69,809	71,656
Interest on other financial liabilities	6,349	8,098
Interest arising from leases	4,309	5,533
Financial expenses from revaluation of fin. liabilities		0
	64,338	
Financial expenses for operating liabilities	510,057	37
Interest on liabilities to suppliers	59	5
Interest on other liabilities	47	32
Financial expenses from revaluation of operating liabilities	509,951	0

The impairment expense on other investments relates to the impairment of a loan granted to an external contractor from Ukraine.

Included in interest received from banks, in addition to interest on loans received, are fees charged by banks on account balances amounting to EUR 5,217 and fees on revolving credit facilities granted but not drawn.

Financial expenses from other financial liabilities represent the cost of guarantees given by individuals for loans granted to the Company, interest on a loan received from Datalab AH d.d. and interest based on an actuarial calculation.

Financial expenses from financial lease represent interest on the lease of a company car and interest on leases of business premises (IFRS 16 – Leases).

The financial expense on the revaluation of financial liabilities relates to the revaluation of the liability for the shares lent by Andrej Mertelj, which were returned in the current financial year, while the financial expense on the revaluation of operating liabilities relates to the revaluation of the liability to be settled in the Company's shares to the beneficiaries, both of which are due to the increase in the stock exchange price of the DATG during the financial year.

Net cash flow

In EUR	FY'22	FY'21
Financial revenue	506,138	68,765
Financial expenses	656,107	86,878
Net cash flow	-149,969	-18,114

15.14 Income tax expense

Corporate income tax is calculated on the basis of revenue and expenses included in the profit or loss statement in accordance with applicable law. The Company benefited from tax reliefs in accordance with the legislation (up to 63% of the tax base) in both 2022 and 2021. Due to a change in the law, which applied to the Company for the first time for the financial year 2021, the Company had a tax liability for the first time last year (in previous years it had the possibility to benefit from so many tax reliefs that it had no income tax liability).

The creation of deferred tax assets described below resulted in an increase in deferred taxes totaling EUR 30,838.

Item	FY'22	FY'21
Accounted tax expense – tax liability	150,172	138,398
Deferred tax assets	30,838	-5,474
Total tax expense in the profit or loss statement	119,335	143,872

Showing the effective income tax rate for Datalab d.d.

Item	FY'22	FY'21
Current tax	150,172	138,398
Deferred tax	-30,838	5,474
Total tax expense	119,335	143,872
Profit or loss before taxes	2,175,581	1,909,227
Income tax at the statutory rate of 19%	413,360	362,753
Revenue that increases/decreases the tax base	-95,032	-7,729
Non-tax-deductible expenses	80,283	25,254
Reliefs	-255,699	-235,650
Other	-23,578	-756
Income tax expense	119,335	143,872
Effective tax rate	5%	8%

15.15 Deferred tax

Deferred tax revenue represents an increase in deferred tax assets of EUR 30,838.

On the one hand, the increase in the financial year is due to an increase resulting from the new creation of a tax relief for investment in development and investment during the financial year and for the distribution of profits to employees under the Slovenian Employee Participation in Profit Sharing Act and, on the other hand, due to a decrease resulting from the utilization of tax reliefs created in previous years.

15.16 Property, plant and equipment

Property, plant and equipment amounting to EUR 136,172 mainly consists of servers, computers and other computer equipment. The equipment was acquired from own funds.

Movement of fixed assets from 1 July 2021 to 30 June 2022:

	Other machinery and equipment	Total
HISTORICAL COST		
Balance as at 1 July 2021	578,642	578,642
Purchases, activation	42,052	42,052
Disposal, write-off	17,658	17,658
Balance as at 30 July 2022	603,036	603,036
VALUE ADJUSTMENT		
Balance as at 1 July 2021	407,917	407,917
Disposal, write-off	17,234	17,234
Depreciation	76,181	76,181
Balance as at 30 July 2022	466,864	466,864
CARRYING VALUE		
Balance as at 1 July 2021	170,725	170,725
Balance as at 30 July 2022	136,172	136,172

Movement of fixed assets from 1 July 2020 to 30 June 2021:

	Other machinery and equipment	Total
HISTORICAL COST		
Balance as at 1 July 2020	456,054	456,054
Purchases, activation	205,968	205,968
Disposal, write-off	83,380	83,380
Balance as at 30 June 2021	578,642	578,642
VALUE ADJUSTMENT		
Balance as at 1 July 2020	445,078	445,078
Disposal, write-off	83,380	83,380
Depreciation	46,219	46,219
Balance as at 30 June 2021	407,917	407,917
CARRYING VALUE		
Balance as at 1 July 2020	10,976	10,976
Balance as at 30 June 2021	170,725	170,725

15.17 Right of use

The right of use totaling EUR 145,066 represents the right to use part of an office building leased by the Company from its subsidiary Datalab SI d.o.o. for an amount of EUR 106,032 and a car under financial lease for an amount of EUR 39,035.

Movement of the right of use from 1 July 2021 to 30 June 2022:

	Right of use – building	Right of use – equipment	Total
HISTORICAL COST			
Balance as at 1 July 2021	220,674	73,190	293,864
Purchases, activation	0	0	0
Disposal, write-off	0	0	0
Balance as at 30 July 2022	220,674	73,190	293,864
VALUE ADJUSTMENT			
Balance as at 1 July 2021	84,347	19,517	103,864
Disposal, write-off		0	0
Depreciation	30,295	14,638	44,933
Balance as at 30 July 2022	114,642	34,155	148,798
CARRYING VALUE			
Balance as at 1 July 2021	136,327	53,672	189,999
Balance as at 30 July 2022	106,032	39,035	145,066

Movement of the right of use from 1 July 2020 to 30 June 2021:

	Right of use – building	Right of use – equipment	Total
HISTORICAL COST			
Balance as at 1 July 2020	230,035	73,190	303,225
Purchases, activation	45,442	0	45,442
Disposal, write-off	54,803	0	54,803
Balance as at 30 June 2021	220,674	73,190	293,864
VALUE ADJUSTMENT			
Balance as at 1 July 2020	46,070	4,879	50,949
Disposal, write-off	0	0	0
Depreciation	38,277	14,638	52,915
Balance as at 30 June 2021	84,347	19,517	103,864
CARRYING VALUE			
Balance as at 1 July 2020	183,965	68,310	252,275
Balance as at 30 June 2021	136,327	53,672	189,999

15.18 Intangible assets

An intangible asset is an asset that is used for the long-term production or supply of goods or services, lease or office purposes, but does not physically exist. Under intangible assets, Datalab Tehnologije recognizes material rights and copyrights at amortized cost representing the difference between the cost and the value adjustment.

Intangible assets totaling EUR 7,723,762 represent the value of purchased components and other copyrights related to the PANTHEON IT system and various licenses that enable the smooth development of the PANTHEON IT system within the Development Department, with the largest part of the intangible assets being the capitalization of the PANTHEON program (2022: EUR 7,249,553 EUR, 2021: EUR 7,039,843) and the new DCD project (30.6.2022: EUR 468,410 EUR, 30.6.2021: EUR 236,124), which is still under construction and not yet amortized. The product is expected to be completed by the end of the next financial year (FY23).

The remaining amortization period of the intangible asset is 10 years.

The Company does not have any significant amortized intangible assets in use and does not have any intangible assets with an indefinite useful life.

Movement of intangible assets from 1 July 2021 to 30 June 2022:

	Own developed intangible assets	Other intangible assets	TOTAL
HISTORICAL COST			
Balance as at 1 July 2021	25,470,784	494,713	25,965,497
Purchases, activation	3,014,129	5,750	3,019,879
Disposal, write-off	0	4,668	4,668
Balance as at 30 July 2022	28,484,913	495,795	28,980,708
VALUE ADJUSTMENT			
Balance as at 1 July 2021	18,194,818	486,324	18,681,142
Disposal, write-off	0	4,668	4,668
Depreciation	2,572,132	8,340	2,580,472
Balance as at 30 July 2022	20,766,950	489,996	21,256,946
CARRYING VALUE			
Balance as at 1 July 2021	7,275,966	8,389	7,284,355
Balance as at 30 July 2022	7,717,963	5,799	7,723,762

Movements of intangible assets from 1 July 2020 to 30 June 2021:

	Own developed intangible assets	Other intangible assets	TOTAL
HISTORICAL COST			
Balance as at 1 July 2020	22,743,427	485,614	23,229,042
Purchases, activation	2,727,357	9,099	2,736,456

Balance as at 30 June 2021	25,470,784	494,713	25,965,497
VALUE ADJUSTMENT			
Balance as at 1 July 2020	15,885,427	460,186	16,345,612
Depreciation	2,309,391	26,139	2,335,530
Balance as at 30 June 2021	18,194,818	486,324	18,681,142
CARRYING VALUE			
Balance as at 1 July 2020	6,858,001	25,429	6,883,429
Balance as at 30 June 2021	7,275,966	8,389	7,284,355

15.19 Investments in subsidiaries and affiliated companies

In EUR	30 Jun 2022	30 Jun 2021
Non-current financial investments	703,689	703,689
Investments in subsidiaries	703,689	703,689

In the previous financial year 2021, a capital injection of EUR 260,000 was made into Datalab MK on the basis of a decision taken by the Board of Directors.

The Company performed an impairment test for its subsidiary Datalab MK. The basis for the calculation of discounted cash flows is the projected performance of the subsidiary for the period FY23 to FY27. On that basis, the net present value was calculated to be greater than the loan and investment, therefore management concludes that no impairment is required in the current year.

The Company recognizes investments in the following subsidiaries and affiliated companies:

In EUR	Share	30 Jun 2022	30 Jun 2021
Investment in Datalab BA d.o.o. – Bosnia and Herzegovina	100%	161,717	161,717
Investment in Datalab MK d.o.o – North Macedonia	100%	260,000	260,000
Investment in Datalab SR d.o.o. – Serbia	100%	0	0
Investment in Datalab SI d.o.o. – Slovenia	100%	102,799	102,799
Investment in Datalab Ukraine LLC – Ukraine*	90%	0	0
Investment in Datalab HR d.o.o. – Croatia	100%	179,173	179,173
Subsidiaries total		703,689	703,689
Investment in Datalab Bulgaria Ltd.– Bulgaria	50%	0	0
Investment in Datalab AL Sh.p.k. – Albania	50%	0	0
Investment in Datalab LLC – Kosovo	50%	0	0
Other companies total		0	0

* 30 June 2020 excluded from the consolidated financial statements

Investments in subsidiaries and affiliated companies are valued using the cost method.

15.20 Non-current loans granted

In EUR	30 Jun 2022	30 Jun 2021
Non-current loans granted	300,000	0
Non-current loans granted	300,000	0

As at 30 June 2022, Datalab d.d. reports a non-current loan to a member of the Board of Directors of EUR 300,000 maturing on the date of expiry of his membership of the Board of Directors (18 June 2024). The loan is secured by shares in DATG held by him.

15.21 Deferred tax assets

Deferred tax assets are amounts of income tax that will be recovered from the taxpayer in future tax periods by making smaller tax payments in the future, i.e. when the assets can be recovered.

In EUR	30 Jun 2022	Recognized in profit or loss FY'22	30 Jun 2021	Recognized in profit or loss FY'21	30.06.2020
Deferred tax assets	821,253	30,838	790,415	-5,474	795,889
– from provisions	5,988	913	5,075	1,027	4,049
– from unused tax reliefs on development	43,237	4,365	38,872	-6,764	45,637
– from unused tax reliefs on investment	166,225	23,578	142,647	12,386	130,262
– from deferred eligibility of tax relief from profit sharing for employees	76,570	2,077	74,493	19,000	55,493
– from value adjustments of investments and receivables	15,424	-94	15,518	-31,122	46,640
– from unused tax losses	513,809	0	513,809	0	513,809

15.22 Short-term loans granted

In EUR	30 Jun 2022	30 Jun 2021
Short-term loans granted	563,689	686,364
Short-term loans granted to group companies	33,332	100,000
Short-term loans to others	530,357	586,364

As at 30 June 2022, the Company has receivables from a loan to a group company Datalab MK amounting to EUR 33,332.

Under short-term loans to others, the company recognizes a loan to Datalab Agro AG of EUR 86,000 (secured by DATG shares held by the guarantor, Andrej Mertelj) and loans to individuals and employees of EUR 444,481.

As at 30.6.2021, the Company had receivables from a loan to a group company Datalab MK amounting to EUR 100,000.

Under short-term loans to others, it recorded a loan to Datalab Agro AG of EUR 86,000, the current part of the loan to Datalab Golf & Yachting Club of EUR 22,659 and loans to individuals of EUR 477,705.

In the financial year 2022, a value adjustment of EUR 1,245 was made on a loan to a contractor from Ukraine.

15.23 Short-term operating receivables and other assets

Short-term operating receivables are receivables based on the right to demand payment of a debt, delivery of goods or performance of a service from a specific person, based on rights arising from property or other relationships.

They are broken down into:

In EUR	30 Jun 2022	30 Jun 2021
Short-term operating receivables and other assets	2,444,235	1,743,501
Short-term operating receivables from group companies	1,574,476	965,571
Short-term operating receivables from affiliated companies	4,235	0
Short-term operating receivables from customers	724,285	660,703
Receivables from the government and other institutions	19,281	19,336
Other operating receivables	97	3,377
Other short-term assets and advances	121,861	94,513

Short-term operating receivables from customers are recognized at nominal value less an appropriate adjustment for estimated irrecoverable amounts. Receivables are revalued for impairment if their carrying amount exceeds their fair value, i.e. their recoverable amount.

The Company charges all customers for its services in EUR.

Short-term operating receivables from group companies are higher than at the end of the previous year due to partly unbilled services at 30 June 2021, which were recorded under "Assets from contracts with customers", and due to an increase in sales to related companies. All Group companies settle their liabilities to Datalab Technologies d.d. within the agreed timeframe.

Short-term operating receivables from affiliated companies represent receivables from Datalab KS.

Short-term operating receivables from customers also include a receivable from Datalab Agro AG (services billed until the discontinuation of the Farming program) amounting to EUR 570,045 (unchanged from the previous year). The receivable is secured by DATG shares held by the guarantor, Andrej Mertelj.

Receivables from government and other institutions represent input VAT receivables of EUR 14,851 and refunds receivables of EUR 4,430.

Other current assets and advances amounting to EUR 121,861 represent short-term deferred costs of which EUR 49,000 represent annual leave bonus paid for the calendar year 2022, which will be expensed in the financial year 2023, EUR 35,591 represent short-term deferred maintenance costs for purchased licenses required for the operation of PANTHEON, EUR 212 represent advances made and the remaining amount represents short-term deferred costs charged by the partners once in the calendar year and, as the company's financial year is different from the calendar year, are related to the following financial year.

In the previous year, other current assets and advances amounting to EUR 94,513 included short-term deferred costs of which EUR 44,209 represent annual leave bonus paid for the calendar year 2021 which is expensed in the financial year 2022, EUR 12,972 represent short-term deferred maintenance costs for purchased licenses required for the operation of PANTHEON, EUR 3,867 represent advances made, and the remaining amount represents other short-term deferred costs.

We estimate that short-term receivables are recoverable, except for the receivables for which we have provided a value adjustment.

Current operating receivables due from affiliated companies, customers and other operating receivables by maturity:

	Gross value as at 30 June 2022	Value adjustment as at 30 June 2022	Net as at 30 June 2022	Gross value as at 30 June 2021	Value adjustment as at 30 June 2021	Net as at 30 June 2021
Balance of receivables						
Short-term operating receivables from affiliated companies, customers and other operating receivables	792,550	63,931	728,618	733,689	69,609	664,080
Not overdue	718,178	0	718,178	663,621	3,645	659,976
Overdue 0 to 90 days	9,228	977	8,250	6,414	2,309	4,104
Overdue 91 to 180 days	3,730	1,541	2,189	2,236	2,236	0
Overdue 181 to 365 days	2,406	2,406	0	4,202	4,202	0
Overdue over one year	59,007	59,007	0	57,217	57,217	0

The maturity structure has not changed significantly compared to the previous year.

Value adjustment of receivables

Item	FY'22	FY'21
Balance as at 1 July	69,609	70,361
Value adjustments in the year	1,279	11,664
Excluded value adjustments due to completed proceedings	-6,957	-12,417
Balance as at 30 June	63,931	69,609

The elimination of the value adjustment is due to the payment of receivables for which value adjustment of EUR 5.152 was made in previous years by Datalab KS and the remaining amount is eliminated due to the statute of limitations.

During the year, a value adjustment of EUR 1 279 was made for receivables that had been placed under execution.

In the previous financial year, a value adjustment of EUR 11,664 was made against receivables from Datalab KS, an affiliated company.

Short-term trade receivables due from Group companies by maturity are shown in the table below:

	Gross value as at 30 June 2022	Value adjustment as at 30 June 2022	Net as at 30 June 2022	Gross value as at 30 June 2021	Value adjustment as at 30 June 2021	Net as at 30 June 2021
Balance of receivables						
Short-term operating receivables from group companies	1,574,476	0	1,574,476	965,571	0	965,571

Not overdue	1,574,476	0	1,574,476	933,643	0	933,643
Overdue 0 to 90 days	0	0	0	31,928	0	31,928

As at 30 June 2022, the Company does not have any receivables due from group companies.

As at 30 June 2021, only receivables due from Datalab MK (of which EUR 2,945 are due on 30 June 2021; the earliest due date is 15 May 2021) are recorded as past due.

15.24 Assets from contracts with customers

	30 Jun 2022	30 Jun 2021
Assets from contracts with customers	67,801	297,060
Assets from contracts with customers	67,801	297,060

Assets from contracts with customers at 30 June 2022 (same as at 30 June 2021) represent short-term accrued revenue for subsidiaries, and therefore short-term operating receivables from group companies and assets from contracts with customers should be treated together.

15.25 Income tax receivables

	30 Jun 2022	30 Jun 2021
Income tax receivables	30,836	0
Income tax receivables	30,836	0

The income tax receivable is due to the foreign tax paid after tax deduction upon payment of invoices for licenses and upgrade contracts by the subsidiaries Datalab SR and Datalab BA (total tax paid after tax deduction, which can be claimed in the income tax return for the 2022 financial year amounts to EUR 54,144).

15.26 Cash

In EUR	30 Jun 2022	30 Jun 2021
Cash	2,560,318	3,260,561
Cash in hand	146	46
Cash in bank accounts	2,560,173	3,260,515

15.27 Capital

Share capital

The table below shows the share capital deposits and the number of newly issued shares by date.

In EUR	Share capital in EUR	Number of issued shares before share split 1:15	Number of issued shares after share split 1:15
Total as at 30 June 2022	4,379,768	0	2,189,884
Equity capital – ordinary shares – 5 May 2003	25,663	6,150	0
Equity capital – ordinary shares – 5 April 2005	939	225	0
Equity capital – ordinary shares – 17 August 2007 (of the company's assets)	0	95,050	0
Equity capital – ordinary shares – 15 February 2008	21,257	5,094	0
Equity capital – ordinary shares – 30 June 2010	20,948	5,020	0
Total before and after share split 1:15	0	111,539	1,673,085
Equity capital – ordinary shares – 16 April 2012	75,568	0	64,327
Equity capital – ordinary shares – 20 June 2014	156,228	0	132,989
Equity capital – ordinary shares – 25 July 2014	293,685	0	250,000
Equity capital – ordinary shares – 22 December 2017	138,966	0	69,483
Equity capital – increase in capital from company's assets	3,646,514	0	0

There were no changes in the Company's share capital in the financial year 2022.

All shares are ordinary, registered and issued in dematerialized form. All shares have been fully paid up by the shareholders before the shares were entered in the company register.

The nominal value of a share is EUR 2.

Own shares

The Company held 2,132 own shares at 30 June 2022. The cost of these shares is recorded at EUR 15,244. The Company has established reserves for the purchase of own shares amounting to EUR 16,360. The reserves established also cover the purchase of the Parent Company's shares in its subsidiary Datalab SI.

The Company occasionally purchases own shares to reward employees, other contractors and management under the share scheme under Slovenian Employee Participation in Profit Sharing Act. During the financial year 2022, the Company acquired 43,635 own shares on the market at an average price of EUR 6.29 per share and the own share pool was increased by 1,080 returned shares which were inadvertently rebooked in the previous year. The pool decreased by 15,938 own shares transferred to the trading accounts of the beneficiaries to settle the award liabilities and by 30,731 shares transferred to the lender's trading account for the partial repayment of shares lent in the 2020 financial year.

The market value of own shares at 30 June 2022 was EUR 17,269.

Capital reserves

Capital reserves represent capital injections above the nominal value of the shares and amount to EUR 441,999.

Statutory reserves

The statutory reserve is set at 10% of the share capital (EUR 437,977) and can be used to cover any losses, in accordance with the Slovenian Companies Act.

Fair value reserves

The fair value reserve of EUR -31,257 is based on an actuarial calculation as at 30 June 2022 and increased by EUR 37,402 in 2022.

Retained earnings

Based on the decision of the General Meeting, the retained earnings in the financial year were reduced by the dividend liability for the financial year 2022 of EUR 735,356 (taking into account the amount of the dividend payment, where dividends are not attributable to own shares), by the amount of the profit-sharing of employees under the Slovenian Employee Participation in Profit Sharing Act of EUR158,000, and by actuarial losses of EUR 5,129, while it increased by the amount of release of reserves for own shares of EUR 5,294.

Statement of balance sheet profit

Description	30 Jun 2022	30 Jun 2021
a) retained earnings	2,851,705	1,688,959
(b) decrease in capital reserves	0	0
(c) increase in profit reserves	0	0
(d) increase in revenue reserves as decided by the management and supervisory bodies (statutory reserves, reserves for own shares and own interests and statutory reserves)	0	0
e) increase in revenue reserves as decided by the management and supervisory bodies (other revenue reserves)	0	0
(f) long-term deferred development costs at the balance sheet cut-off date	0	0
g1) balance sheet profit (a + b + c - d - e - f) to be appropriated by the General Meeting for dividends to shareholders, other reserves, carry-forward and other purposes	2,851,705	1,688,959

Earnings per share

Basic earnings per share amounted to EUR 0.95 in 2022 (EUR 0.81 in 2021). The calculation took into account the net profit for the period of EUR 2,056,246 (EUR 1,765,356 in 2021).

For both years, the weighted average number of shares taken into account is 2,168,803 in 2022 and 2,173,479 in 2021. Own shares are excluded from the calculation.

All shares issued by Datalab d.d. are ordinary registered shares and therefore the adjusted earnings per share is equal to the basic earnings per share.

Description	FY'22	FY'21
Weighted average number of shares in the financial year	2,168,803	2,173,479
Net profit or loss for the financial year (EUR)	2,056,246	1,765,356
Net profit or loss per weighted average number of shares (EUR)	0.95	0.81
Adjusted Net profit or loss per weighted average number of shares (EUR)	0.95	0.81

Ownership structure of Datalab d.d. as at 30 June 2022

Category	Shareholder	Stake	No. of shares
10 largest		76.43%	
	Andrej Mertelj	27.15%	594,604
	Eglath Ventures d.o.o.	14.41%	315,493
	Nepremičnine Noviforum d.o.o.	8.70%	190,618
	NLB Skladi-Slovenija	8.22%	179,919
	Janez Rozman	4.71%	103,203
	Lojze Zajc	3.48%	76,298
	Grbec Robert	3.21%	70,377
	Nedim Pašić	3.20%	69,989
	The Bank of New York Mellon (fiduciary account)	1.80%	39,507
	Moreno Rodman	1.54%	33,665
	Members of the Board of Directors (total)	32.41%	709,748
Other	Own shares*	0.12%	2,597
	Other employees	6.04%	132,229
	Former employees	4.99%	109,360
	Employees in the group	2.48%	54,355
	Partner companies	1.42%	31,030
	Other shareholders	8.52%	186,640
Total		100.00%	2,189,884

* 465 shares held by Datalab SI d.o.o. are included in own shares.

15.28 Non-current financial liabilities

In EUR	30 Jun 2022	30 Jun 2021
Non-current financial liabilities	2,136,547	3,253,974
Non-current financial liabilities to banks	2,136,547	3,112,611
Other long-term financial liabilities	0	141,363

In the 2015 financial year, the Company obtained a 7-year loan with a subsidized interest rate from Bank Celje d.d. (now NKBM d.d.) for the financing of the further development of the PANTHEON program in the amount of EUR 1,500,000. The outstanding part of the loan as at 30 June 2015 was EUR 321,429. The loan is 80% secured by the Slovenian Enterprise Fund and additionally secured by a pledge of the PANTHEON and DATALAB trademarks and an assignment of receivables from subsidiaries.

In the 2016 financial year, the Company signed a long-term loan agreement with SID Bank to finance the development of PANTHEON X-Second Phase, in the amount of EUR 1,500,000, with a repayment period of 7 years and a one-year repayment moratorium. The loan is secured by a pledge of the PANTHEON and PANTHEON FARMING trademarks, a

pledge on the business premises on Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and an assignment of the receivables of the subsidiary Datalab SI d.o.o. from its customers. The outstanding amount of the loan as at 30 June 2022 is EUR 472,603. It is shown in the non-current part as at EUR 226,027 (short-term part: EUR 246,575).

In the 2019 financial year, the Company signed a long-term loan agreement with NKBM d.d. to finance the further development of PANTHEON, amounting to EUR 937,000, with a repayment period of 50 months. The loan is secured by a pledge of the PANTHEON trademark, a pledge of the business premises on Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and an assignment of the receivables of the subsidiary Datalab SI d.o.o. from its customers. The outstanding part of the loan as at 30 June 2022 amounts to EUR 318,580. It is shown in the non-current part as EUR 93,700 (short-term part: EUR 224,880).

In the financial year 2021, the Company signed a long-term loan agreement with SID Bank to finance working capital – covering labor costs in order to preserve jobs to avoid the negative impact of the Covid-19 epidemic in the amount of EUR 2,000,000 with a repayment period of 7 years and a 22-month repayment moratorium. The loan is secured by a pledge of the PANTHEON trademark, a pledge on the business premises in Hajdrihova Street (owned by the subsidiary Datalab SI d.o.o.) and bills of exchange. As at 30 June 2022, the loan is still fully outstanding. The non-current part amounts to EUR 1,709,677 (current part: EUR 290,323; first instalment is due on 10 October 2022, last instalment on 5 November 2027).

Interest rates are linked to 6-month EURIBOR and have a fixed mark-up of between 0–2.2% per annum.

Over a period of more than 5 years, liabilities to banks amounting to EUR 161,290 are due.

Other non-current financial liabilities at the end of the previous year were liabilities based on borrowed shares and amounted to EUR 141,363 at 30 June 2021. The shares were returned to the lender in the current year (see the chapter Transactions with related parties, paragraph Transactions in own shares).

15.29 Non-current financial liabilities arising from leases

In EUR	30 Jun 2022	30 Jun 2021
Non-current financial liabilities arising from leases	119,752	139,869
Non-current liabilities arising from leases of business premises	77,628	107,610
Non-current liabilities arising from other leases	42,124	32,259

Non-current financial liabilities from leases include:

- a leasing contract for the purchase of a company car in June 2020. The outstanding part of this contract at 30 June 2022 amounts to EUR 32,393. It is recorded at EUR 22,038 in the non-current part and EUR 10,356 in the short-term part.
- a contract for the operating lease of a car in November 2021, the use of which is transferred to another user by means of a donation agreement. The outstanding part of the liability as at 30 June 2022 amounts to EUR 25,631. It is recorded at EUR 20,086 in the non-current part and EUR 5,545 in the short-term part.
- the lease of business premises from the subsidiary Datalab SI d.o.o. The liability as at 30 June 2022 amounts to EUR 107,610. It is recorded at EUR 77,628 in the non-current part and at EUR 29,982 in the short-term part.

The table below shows the movement of liabilities arising from leases.

In EUR	FY'22	FY 21
Balance as at 1 July	179,156	237,295

Increase	28,514	0
Decrease – change of lease contract	0	-11,948
Interest	4,641	5,533
Lease payments	-46,677	-51,724
Transfer to the short-term part	-45,882	-39,287
Balance as at 30 June – non-current	119,752	139,869
Balance as at 30 June – short-term	45,882	39,287

15.30 Provisions

The Company has provisions of EUR 111,746 at 30 June 2022.

In EUR	30 Jun 2022	30 Jun 2021
Provisions	111,746	134,761
Provisions for severance pay and long-service rewards	111,746	134,761

Provisions include the provisions for long-service rewards and severance pay totaling EUR 111.746 in accordance with IAS 19.

In the 2022 financial year, based on an actuarial calculation the Company reversed provisions for long-service rewards and severance payments amounting to EUR 20,256, and paid five long-service rewards totaling EUR 2,760 against the provisions made.

The trends for provisions for long-service rewards and severance pay in the 2022 financial year are shown in the table below:

	Long-service rewards	Severance pay on retirement	Total
Liabilities as at 30 June 2021	17,146	117,616	134,761
Current service expenses	1,394	10,978	12,372
Interest expenses	123	862	985
Benefit payments	-2,760	0	-2,760
Actuarial gains or losses due to:			
– changes in financial assumptions	-2,768	-36,352	-39,120
– changes in demographic assumptions	567	10,518	11,085
– previously established discrepancies	863	-6,440	-5,577
Liabilities as at 30 June 2021	14,564	97,182	111,746

The trends for provisions for long-service rewards and severance pay in the 2021 financial year are shown in the table below:

	Long-service rewards	Severance pay on retirement	Total
Liabilities as at 30 June 2020	17,082	63,790	80,872
Current service expenses	1,810	11,526	13,336
Interest expenses	113	496	610
Benefit payments	-2,529	0	-2,529
Actuarial gains or losses due to:			
– changes in financial assumptions	-60	25,831	25,771
– changes in demographic assumptions	0	0	0
– previously established discrepancies	730	15,972	16,702
Liabilities as at 30 June 2021	17,146	117,616	134,761

Provisions for long-service rewards and severance pay at 30 June 2022 have been calculated based on the following assumptions:

- probability of death (SLO2007; selection factor for the active population 75%);
- probability of disability;
- retirement under the model based on the Pension and Disability Insurance Act (ZPIZ-2; Official Gazette of the Republic of Slovenia [Uradni list RS], No. 96/2012);
- staff turnover:
 - 7.50% up to 40 years;
 - 5.00% between 41 and 50 years;
 - 1.00% between 51 and 60 years;
 - 0.00% over 61 years;
- discount rate of 3.2246% (Markit iBoxx € Corporates AA 10+; EOD-30 June 2022);
- salary growth in Slovenia: 3.5%
- company salary growth of 5.0%;
- employer's contribution rate of 16.1% (in the case of payments exceeding the amounts set by the Decree on the tax treatment of reimbursement of costs and other income from employment (Official Gazette of the Republic of Slovenia [Uradni list RS], Nos. 140/2006, 76/2008);
- 0.25% increase in the Decree's amounts.

The tables below also show the sensitivity analyses for provisions, depending on various parameters (changes):

Parameter (change)	Expected current value of the liability		
	Long-service rewards	Severance pay on retirement	Total
Discount rate (+0.50%)	13,992	90,005	103,997
Discount rate (-0.50%)	15,173	105,086	120,259
Salary growth (+0.50%)	14,564	105,185	119,749
Salary growth (-0.50%)	14,564	89,832	104,395
Staff turnover (+1.00%)	13,371	82,725	96,096

Staff turnover (-1.00%)	15,832	110,974	126,805
Life expectancy (+1 year)	14,580	97,548	112,128
Life expectancy (-1 year)	14,546	96,781	111,326

Absolute change of the liability			
Parameter (change)	Long-service rewards	Severance pay on retirement	Total
Discount rate (+0.50%)	-572	-7,177	-7,749
Discount rate (-0.50%)	609	7,904	8,513
Salary growth (+0.50%)	0	8,003	8,003
Salary growth (-0.50%)	0	-7,351	-7,351
Staff turnover (+1.00%)	-1,193	-14,457	-15,650
Staff turnover (-1.00%)	1,268	13,792	15,059
Life expectancy (+1 year)	17	366	382
Life expectancy (-1 year)	-18	-401	-420

Relative change of the liability			
Parameter (change)	Long-service rewards	Severance pay on retirement	Total
Discount rate (+0.50%)	-3.93%	-7.39%	-6.93%
Discount rate (-0.50%)	4.18%	8.13%	7.62%
Salary growth (+0.50%)	0.00%	8.24%	7.16%
Salary growth (-0.50%)	0.00%	-7.56%	-6.58%
Staff turnover (+1.00%)	-8.19%	-14.88%	-14.01%
Staff turnover (-1.00%)	8.70%	14.19%	13.48%
Life expectancy (+1 year)	0.11%	0.38%	0.34%
Life expectancy (-1 year)	-0.12%	-0.41%	-0.38%

The Company has no other provisions as at 30 June 2022.

15.31 Non-current liabilities arising from contracts with customers

As at 30 June 2022, the Company does not recognize any non-current liabilities arising from contracts with customers.

15.32 Short-term financial liabilities

In EUR	30 Jun 2022	30 Jun 2021
Short-term financial liabilities	977,559	810,381
Short-term financial liabilities to banks	977,559	806,350
Other short-term financial liabilities	0	4,031

Short-term loans received from banks by currency and interest rate:

Item	Amount in currency	Amount in EUR	Min. interest rate	Max. interest rate
EUR	977,559	977,559	6M-EURIBOR+0%	6M-EURIBOR+2.2%

As at 30.06.2021, the Company has short-term liabilities to banks totaling EUR 806,350.

In this section, the Company recognizes part of the long-term loans taken from NKBM (balance as at 30 June 2022: EUR 439,166) and SID Bank (balance as at 30 June 2022: EUR 536,898), which are due within one year (see Non-current financial liabilities).

In addition to the above loans, the Company has a revolving credit facility of EUR 500,000 with NKBM d.d. The revolving credit facility was undrawn as at 30 June 2022.

Short-term financial liabilities due to banks also include a balance of EUR 1,496 relating to the use of business bank cards.

In the previous year, the Company recognized a loan received from Datalab AH d.d. among other short-term financial liabilities.

15.33 Short-term financial liabilities arising from leases

In EUR	30 Jun 2022	30 Jun 2021
Short-term financial liabilities arising from leases	45,882	39,287
Short-term liabilities arising from leases of business premises	15,900	29,388
Short-term liabilities arising from other leases	29,982	9,899

Current financial liabilities arising from leases include the short-term part of the liability under the lease contract for the purchase of a company car amounting to EUR 10,356 and the short-term part of the liability under the contract for the operating lease of a car amounting to EUR 5,545, the use of which has been transferred to another user by a donation agreement, as well as the short-term part of the financial liability from the lease of business premises amounting to EUR 29,982.

For tables of movements in short-term financial liabilities arising from leases: see Non-current liabilities arising from leases.

15.34 Short-term operating liabilities and liabilities arising from contracts with customers

In EUR	30 Jun 2022	30 Jun 2021
Short-term operating liabilities and liabilities from contracts with customers	4,044,401	3,730,791
Short-term operating liabilities	2,102,889	1,966,852
Liabilities arising from contracts with customers	1,941,512	1,763,939

Liabilities arising from contracts with customers

In EUR	30 Jun 2022	30 Jun 2021
Liabilities arising from contracts with customers	1,941,512	1,763,939
Short-term liabilities from contracts with customers – to group companies	1,857,746	1,682,070
Short-term liabilities from contracts with customers – to affiliated companies	1,483	3,722
Short-term liabilities from contracts with customers – to others	82,283	78,146

Liabilities from contracts with customers represent short-term deferred income; as at 30 June 2022 they include EUR 1,941,512 of deferred income from upgrade contracts (previous year EUR 1,763,859). The remaining amount of EUR 80 from the previous year represented a liability to a group company for the accrued unbilled costs for the financial year.

Short-term operating liabilities

In EUR	30 Jun 2022	30 Jun 2021
Short-term operating liabilities	2,102,889	1,966,852
Short-term operating liabilities to group companies	63,140	56,987
Short-term operating liabilities to suppliers	105,792	114,418
Short-term operating liabilities to others	1,612,665	1,636,829
Other liabilities, accrued costs	321,292	158,618

Short-term operating liabilities to group companies represent liabilities for services billed by subsidiaries.

Short-term operating liabilities to suppliers represent liabilities for services rendered (overheads, legal and other consultancy services, services provided by external partners to the Development Department (PANTHEON development), advertising and promotion services, etc.) and the purchase of materials (office supplies, small tools) and fixed assets.

Short-term operating liabilities to others include liabilities to government for contributions and payroll taxes, liabilities for VAT, liabilities to employees for salaries, liabilities for outstanding bonuses, liabilities for dividends and profit-sharing based on a decision of the General Meeting.

The short-term operating liabilities to be settled in the Company's shares (EUR 1,266,361) were revalued at 30 June 2022 to the DATG exchange price at that date (EUR 8.10/share; 30 June 2021 EUR 4.60/share). The effect of the revaluation is recognized in profit or loss under financial expenses.

Other liabilities and accrued expenses represent accrued expenses relating to the 2022 financial year for which the Company has not yet received invoices amounting to EUR 20,186 (balance as at 30 June 2021: EUR 24,237), accrued unused annual leave expenses for 2022 amounting to EUR 96,223 (balance as at 30 June 2021: EUR 134,381). The decrease in the unused leave liability is due to a change in legislation regarding the possibility to take leave for the previous year (under the legislation on the mitigation of Covid-19 epidemic effects, employees were able to take unused leave for the previous calendar year up to 31 December and again in the current year until 30 June) and the accrued cost of a special bonus based on the FY'21 results, as decided by the Board of Directors, for employees or contractors of the Company or the Group who perform tasks for the Company, amounting to EUR 204,883.

Overview of the structure of short-term operating liabilities by maturity

Status of liabilities	Gross value as at 30 June 2022	Gross value as at 30 June 2021
Total	2.102.889	1,966,852
Not overdue	2.102.289	1,961,717
Overdue 0 to 90 days	600	5,135

15.35 Income tax liabilities

In EUR	30 Jun 2022	30 Jun 2021
Income tax liabilities	0	138,398

Due to a change in the law, which applied to the Company for the first time for the financial year 2021, the Company had a tax liability of €138,398 for the first time at the end of the previous year. In previous years, the Company had the possibility to benefit from so many tax reliefs that it had no income tax liability.

At the end of the current financial year, the Company has no tax liability but has an income tax receivable (see note under Income tax receivables).

15.36 Investment in research and development

Datalab is a development-oriented company, where most of the costs are for the development and improvement of the PANTHEON ERP and the web version PANTHEON WEB.

In the last financial year, we started a new DCD (Datalab Community Development) project. The main objectives of the project are: to provide timely and crucial information for PANTHEON users, to improve the quality of written and video instructions for PANTHEON use and to standardize instructions, training, innovations and software self-testing by creating a high quality and new PANTHEON demo database. The project is expected to be completed by the end of the next financial year (FY23).

The cost of development:

Cost breakdown	FY'22	FY'21
Internal R&D activities	1,837,423	1,709,328

Purchased R&D services	1,238,537	1,071,809
Total	3,075,960	2,781,137

Type of cost	FY'22	FY'21
Labor costs	1,571,837	1,511,923
Purchase of R&D equipment	85,028	96,657
Cost of materials	8,285	3,989
Cost of R&D services and cost of external specialists and researchers	1,410,810	1,168,568
Total	3,075,960	2,781,137

15.37 Transactions with related parties

Transactions with subsidiaries:

Sales (receivables) in EUR	FY'22	FY'21
Datalab SI	3,096,197	3,394,633
Datalab BA	715,489	606,335
Datalab SR	1,453,109	1,286,563
Datalab MK	648,894	364,514
Datalab HR	1,348,470	1,106,937
Total	7,262,159	6,758,981

Purchases (liabilities) in EUR	FY'22	FY'21
Datalab SI	172,648	174,011
Datalab BA	207,830	178,539
Datalab SR	283,495	160,379
Datalab MK	69,352	61,996
Datalab HR	228,747	191,628
Total	962,071	766,552

Outstanding receivables in EUR	30 Jun 2022	30 Jun 2021
Datalab SI	934,054	571,666
Datalab BA	86,238	51,538
Datalab SR	262,361	128,578
Datalab MK	69,954	83,513

Datalab HR	221,868	130,276
Total	1,574,476	965,571

Outstanding receivables from contracts with customers in EUR	30 Jun 2022	30 Jun 2021
Datalab SI	56,481	38,475
Datalab BA	0	5,580
Datalab SR	0	6,975
Datalab MK	0	240,000
Datalab HR	11,320	6,030
Total	67,801	297,060

In FY'22, outstanding receivables from contracts with customers represent revenue not yet billed, which is why outstanding receivables should be considered together with receivables from contracts with customers.

Outstanding receivables from contracts with customers in 2021 also represent unbilled revenue, except for Datalab MK, which does not represent billed revenue but rather a provisional contract-based item.

Outstanding liabilities in EUR	30 Jun 2022	30 Jun 2021
Datalab BA	38,459	37,219
Datalab SR	24,681	19,769
Total	63,140	56,987

Outstanding liabilities from contracts with customers in EUR	30 Jun 2022	30 Jun 2021
Datalab SI	670,873	656,792
Datalab BA	203,671	173,364
Datalab SR	423,482	354,507
Datalab MK	105,784	95,042
Datalab HR	453,935	402,366
Total	1,857,746	1,682,070

Transactions with other related companies:

In EUR	FY'22	FY'21
Sales (receivables)		
Datalab KS	8,686	11,664
Datalab AH d.d.	0	0
Purchases (liabilities) in EUR		
Datalab AH d.d.	21	91
Outstanding receivables in EUR		

Datalab KS*	4,235	0
Outstanding liabilities in EUR		
Datalab AH d.d.	0	36
Outstanding liabilities from contracts with customers in EUR		
Datalab KS	1,483	3,722

Datalab KS: the value of receivables adjusted in FY'21, which is why the balance is 0.

The above transactions are carried out in accordance with arm's length pricing or by comparing the prices charged for assets or services to related parties with the prices charged for assets or services to unrelated parties in comparable circumstances. The majority of transactions are sales of licenses, upgrade contracts and membership fees in accordance with the general terms and conditions applicable to subsidiaries and representative offices abroad.

Loans granted to related parties

In EUR	30 Jun 2022	30 Jun 2021
Loans granted to related parties	777,689	597,015
Datalab MK	33,332	100,000
Andrej Mertelj	414,357	444,357
Lojze Zajc	330,000	30,000
Datalab Golf & Yachting Club	0	22,659

The loans granted to Andrej Mertelj are secured by DATG shares owned by him.

The interest rate on loans to related parties includes a variable component, which takes into account the recognized interest rate for loans between related parties published monthly by the Ministry of Finance, and a credit rating premium (the "no rating" premium is taken into account – a 1% mark-up). The interest rates on loans granted to Andrej Mertelj thus range from 0.627% to 0.897%, depending on the month in which the individual loan agreement was concluded. The repayment period also depends on the date of conclusion of each contract, ranging from 15 July 2022 to 2 July 2023.

Two loans are granted to Lojze Zajc: a short-term loan of EUR 30 000, unsecured, bearing interest at 0.832% and maturing on 2 April 2023, and a long-term loan of EUR 300. Both loans, together with the related interest, were repaid by Mr Zajc in September 2022 and the Company bought back all the shares from him.

The loan to the subsidiary Datalab MK, with the last instalment maturing on 30 October 2022 and bearing interest at 0% (exceptionally interest-free due to the Covid-19 epidemic), is being repaid in accordance with the agreement.

The loan to Datalab Golf & Yachting Club for the purchase of the sailing boat was repaid when the sailing boat was sold.

Loans received from related parties:

In EUR	30 Jun 2022	30 Jun 2021
Loans received from related parties	0	4,031
Datalab AH d.d.	0	4,031

Liabilities to the Board of Directors members

In EUR	30 Jun 2022	30 Jun 2021
Liabilities to the Board of Directors members	-420,562	-136,385
Andrej Mertelj	-300,257	-292,806
- of which loans and operating receivables	-414,696	-445,246
- of which operating receivables	114,438	11,078
- of which financial liabilities*	0	141,363
Lojze Zajc	-260,776	64,084
- of which loans and operating receivables	-331,856	-30,309
- of which operating receivables	71,080	94,393
Moreno Rodman	46,621	75,950
Andrej Brlečić	79,944	16,388
Ambrož Jarc	7,269	0
Mateja Cejan	6,638	0

*liability for shares provided

Ambrož Jarc is a member of the Board of Directors from 25 June 2021 onwards.

Mateja Cejan is a member of the Board of Directors from 28 February 2022 onwards.

Transactions in own shares

In the 2020 financial year, the Company entered into a Share Loan Agreement with Andrej Mertl, pursuant to which the Company acquired 79,559 DATG shares, the liability for which was recognized at the acquisition price on the date of acquisition and at the closing price on 30 June 2020 (EUR 4.80/share) and amounted to EUR 381,883.

The company acquires its own shares in order to reward its employees (in Slovenia under an Employee Participation in Profit Sharing Act scheme) and management.

In the financial year 2021, 48,828 shares were returned to the lender. The liabilities as at 30 June 2021 recognized at the stock exchange price on that date (EUR 4,60/share) amounted to EUR 141,363.

During the current financial year, the remaining 30,731 shares were returned to the lender, so that the Company has no further liabilities in this regard as at 30 June 2022.

15.38 Financial instruments**Financial assets**

Item (in EUR)	Carrying amount as at 30 June 2022	Fair value as at 30 June 2022 – level 3	Carrying amount as at 30 June 2021	Fair value as at 30 June 2021 – level 3
Non-current loans granted	300,000	300,000	0	0
Non-current operating receivables	0	0	0	0
Short-term loans granted	563,689	563,689	686,364	686,364

Short-term operating receivables	2,302,997	2,302,997	1,626,274	1,626,274
Cash and cash equivalents	2,560,318	2,560,318	3,260,561	3,260,561
Total	5,727,004	5,727,004	5,573,200	5,573,200

Financial liabilities

Item (in EUR)	Carrying amount as at 30 June 2022	Fair value as at 30 June 2022 – level 3	Carrying amount as at 30 June 2021	Fair value as at 30 June 2021 – level 1	Fair value as at 30 June 2021 – level 3
Non-current financial liabilities	2,256,300	2,256,300	3,393,843	141,363	3,252,480
Short-term financial liabilities	1,023,441	1,023,441	849,668	0	849,668
Short-term operating liabilities	168,932	168,932	171,405	0	171,405
Total	3,448,673	3,448,673	4,414,915	141,363	4,273,552

In the previous year, liabilities at fair value on level 1 represent liabilities for shares loaned by Andrej Mertelj; the liabilities are translated at the balance sheet date to the stock exchange price of the shares (30,731 DATG shares, stock exchange price as at 30 June 2021 was EUR 4.60 per share). In this financial year, the loaned shares were returned to their owner.

There is no active market for the financial instruments listed above. The total value of all financial liabilities also represents the maximum credit risk.

15.39 Auditing costs

At the regular General Meeting of Datalab Tehnologije d.d. held on 28 February 2022, UHY Revizija in svetovanje d.o.o., Vurnikova ulica 2, 1000 Ljubljana, was appointed to audit the financial statements for the financial years 2022, 2023 and 2024.

The cost of the audit of the financial statements and the annual report for the financial year 2022 for Datalab amounts to EUR 8,210 and the cost of the audit of the consolidated statements of comprehensive income amounts to EUR 7,800, which makes a total of EUR 16,010.

UHY Revizija in svetovanje d.o.o. also performed assurance engagements for the company other than the audit (compliance review of the electronic annual report in accordance with Commission Delegated Regulation (EU) 2019/815) for EUR 2,045 and the review of the remuneration report in accordance with Article 294b of the Slovenian Companies Act (ZGD-1) for EUR 820.

In addition to these services in the 2022 financial year, UHY Revizija in svetovanje d.o.o. also provided the services for the preparation of an audit report on a bank's certificate of compliance with financial covenants at a cost of EUR 900.

15.40 Potential liabilities from lawsuits and other liabilities

Datalab Tehnologije d.d. as defendant

Plaintiff	Value in EUR	Ref no., court	Status
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Progis GmbH	202,440	II Pg 1075/2018, District Court in Ljubljana	In progress
	Counterclaim – claim by Datalab d.d. EUR 67,480		

I. Case II Pg 1075/2018 Progis GmbH against Datalab d.d., valued at EUR 202,440

This is a request for payment of a license fee under the licensing and cooperation agreement for WinGIS and Dokuplant. Datalab counterclaimed for the reimbursement of the EUR 67,480 advance paid. The first hearing was held and two further hearings were subsequently scheduled to hear the legal representatives of both parties, but were postponed due to the illness of the parties.

As the evidence in the case has not yet been produced (in particular by an expert witness), we estimate the plaintiff's probability of success at 50%, and the same applies to the counterclaim.

Datalab Tehnologije d.d. as plaintiff

There are no such proceedings pending.

Datalab Tehnologije d.d. – guarantees in favor of third parties

Datalab d.d. is the guarantor of the liabilities of the subsidiary Datalab SI d.o.o. under the loan received from NKBM d.d. for the purchase of business premises in Hajdrihova Street in the amount of EUR 600,000 (the outstanding part of the loan as at 30 June 2022 amounts to EUR 66,666).

15.41 Significant events after the date of the financial statements

There were no events after 30 June 2022 that would have an impact on the financial year 2022.

16 Auditor's report for Datalab d.d.

(See Slovenian PDF version)



datalab

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