

nexcom.

Nexcom's 2020

# Annual Report

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## **Nexcom A/S**

Sankt Annæ Plads 13  
1250 Copenhagen K  
CVR No.: 20348046

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## **Annual report 2020**

The Annual General Meeting adopted  
the annual report on 06.04.2021

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**Jens Folker Bruun**

Chairman of the General Meeting

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# 2020 highlights:

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Revenue growth: 15.7%

EBITDA DKK 2,508m

Fusion of Nexcom and Heyware

Acquisition of RevealCX Inc.

Capital increase of DKK 4m

New Board of Directors

Prepared for IPO

All companies work with

# customer service

— We help them become better at it

Through my counseling on customer service optimization for often large-scale companies, I have experienced first-hand, that manual processes are inefficient and create variation in the customer experience. The answer to the challenges was – and is – a system that streamlines and automates existing workflows and, at the same time, are able to adapt to the increased demands of tomorrow.

## It started with Heyware

In 2019, We teamed up Company Heyware had several major clients, such as Telenor Denmark and TDC Group. Heyware's system is used to identify opportunities of process optimization in the companies' customer service. It's based on, e.g., recorded customer inquiry conversations.

## Acquisition of Nexcom meant a better product portfolio

Another necessary element to optimize and streamline customer service, is a software platform that automates manual workflows and helps employees serve customers in a way that is easy, quick, and correct. Therefore, in 2019, we acquired Nexcom, which had developed such a workflow management system.

## Acquisition of RevealCX meant access to the US market

In 2020, Nexcom acquired the American Company RevealCX from the renowned, international consulting Company, COPC Inc. The acquisition included a number of global customers and a unique growth opportunity in North America through a highly recognized brand.

## AI – Artificial Intelligence gives Nexcom greater strength

Nexcom utilizes machine learning (ML) and artificial intelligence (AI), and we have created a platform so simple, even smaller companies can benefit from it. The platform contains so many different functionalities that larger stock listed corporations also use it.

## Global growth journey starting with 40,000 users

On a global scale, we see an increased demand for Nexcom's products. And with approx. 40,000 existing users on Nexcom's platform, spread across both small- and large-scale companies, our next step is a global growth journey in Europe and the US, as well as in those parts of Asia where several of our global customers already operate.

With the capital from the share offerings and support from our new shareholders, we are planning on accelerating our growth journey, both organically and through a series of strategic acquisitions. I welcome all new shareholders to the Company and look forward to continuing this exciting journey.

Rolf Gordon Adamson  
CEO of Nexcom



# Challenges of customer service

**Today, customer service centers experience a number of challenges that can result in mediocre customer experiences – both in regard to the direct customer communication and with the practical handling of customer orders and tasks.**



## Negative customer experience

One of the challenges in relation to customer communication is to provide an individualized customer experience, whether delivered digitally or through a customer service representative, so that customers get the correct treatment of their particular inquiry.



## Errors in the processes

The biggest challenge in existing quality assurance software is that it is typically based on identifying errors at the employee level, but most errors happen at the system and process levels.



## High turnover rate of employees

There is a high turnover rate among employees in customer service centers. In addition, product amount and complexity have increased steadily over the last decade, which often means that employees are not able to respond correctly to customer inquiries or perform sales activities correctly.



## Large number of customer inquiries

Large-scale companies with hundreds of thousands of customers and thousands of inquiries – both from existing and potential new customers – experience a wide range of orders via a wide range of media platforms and channels. Managing these different inquiries requires automation and systems to handle them quantitatively as well as qualitatively.

## Nexcom's

# customer service solutions

**Nexcom helps companies in telecom and telephony operating, insurance, energy, and property management – that carry a large customer portfolio – have a latter focus on customer experience (CX), handle many customer contacts, and need automated solutions to ensure high efficiency at a low-cost level.**

Nexcom's line of products consists of eTray, a software system for automated handling of workflows and tasks, and RevealCX, a software system for improving the customer contact in service centers. Both platforms assist approx. 40,000 employees on a daily basis with customer handling.

Furthermore, Nexcom develops several AI-based solutions to assist service employees real-time in providing customers the best possible service experience.

### RevealCX

RevealCX (formerly Userinsights) is a web-based, quality monitoring platform used in larger customer service centers to optimize and streamline the customer contact. By identifying the pitfalls in customer contact, companies gain an overview and an understanding of the issues that occur in their customer inquiry handling – and what areas to focus on in order to optimize performance and increase the number of correctly handled inquiries.

Based on these monitored values, RevealCX – as a complete system – helps companies to:

- get an accurate overview of the customer center's performance

- identify customer service error causal factors
- make advantage of call centers to also provide insight into the customer experience.
- collect business intelligence information
- achieve improvements in customer satisfaction, sales, costs and compliance errors

### eTray

eTray is a workflow management software system for handling and automating workflows and tasks. The system makes customer service centers more effective by increasing the quality of services offered, e.g., through faster response time on cases.

eTray supports, optimizes and automates workflows, handles all written inquiries (emails, text messages, letters, contracts, faxes, etc.) and distributes them to relevant employees through a defined flow system based on the needs of the individual Company or organisation. eTray must be implemented and adjusted to the individual Company's terms and needs.

# customer service solutions

## Nextgen AI (artificial intelligence)

Today, Nexcom utilizes both machine learning (ML) and artificial intelligence (AI) in the product offerings to ease everyday work life for the individual employee and to make service center workflows more efficient. Furthermore, Nexcom is developing a new generation, AI-based digital add-on product for RevealCX and eTray. The add-on draws on speech recognition and machine learning, to assist customer service staff in real-time with the right answers and ensure proper customer data submission to CRM systems. Nexcom is working with a larger client in the development of Nextgen AI.

The Nextgen AI module is expected to be ready during the first half of 2021. And based on the initial testing, it is expected that the system – when fully developed – will be able to reduce the processing time for each customer call by more than a minute. For a medium-sized telecom Company with two million annual calls, this means a saving of more than 100 full-time employees.

### Fast decision

The platform determines the content and context of the transaction for the end-user over both phone, email and chat.

### Trustworthy data

Data is collected from our own quality platform, RevealCX, which increases the correctness compared to similar platforms.

### Great track record

AI is implemented in eTray, where e-mails are directed more precisely than ever. This makes for a shorter response time.

### Streamlining and cost savings

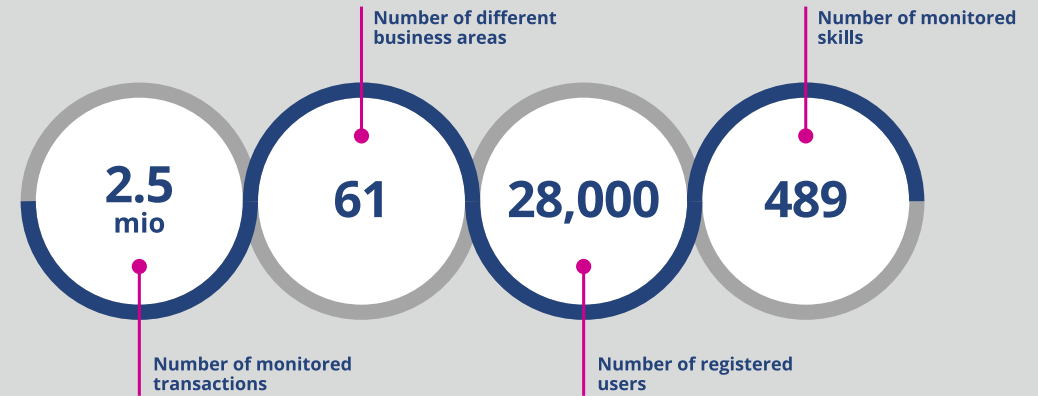
AI reduces labor cost in service centers, where staff members on average are employed for just 3 months. Therefore, AI can increase the quality of customer satisfaction significantly by optimizing the process of live inquiry service.

The software is expected to be ready in Q1 of 2021.

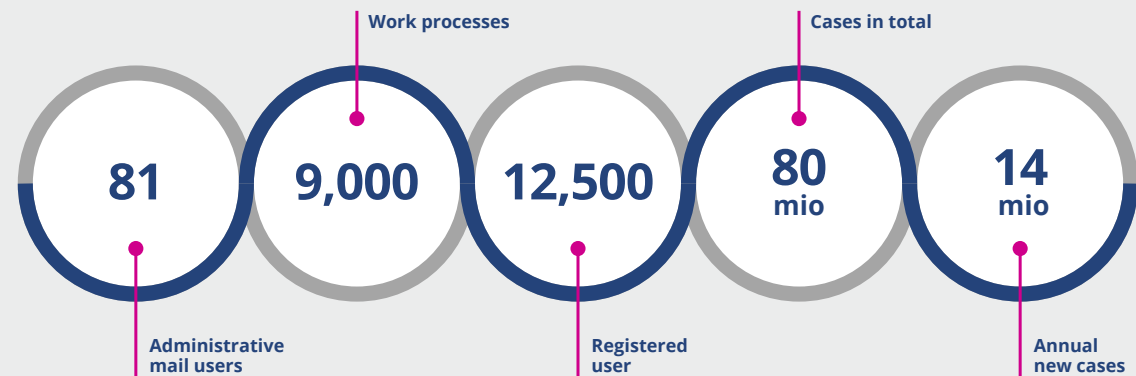




## Application overview of RevealCX



## Usage overview of eTray



# The market

**Nexcom operates in three subsegments: Workflow automation software, virtual assistant software, and transaction monitoring software.**

## Market trends stimulate growth

Several underlying global market trends drive the market development of workflow automation systems, transaction monitoring, and virtual digital assistance. Cloud computing, legislation, and omni-channel will be the underlying drivers of Nexcom's continued growth and internationalization.

## Many small and a few large competitors

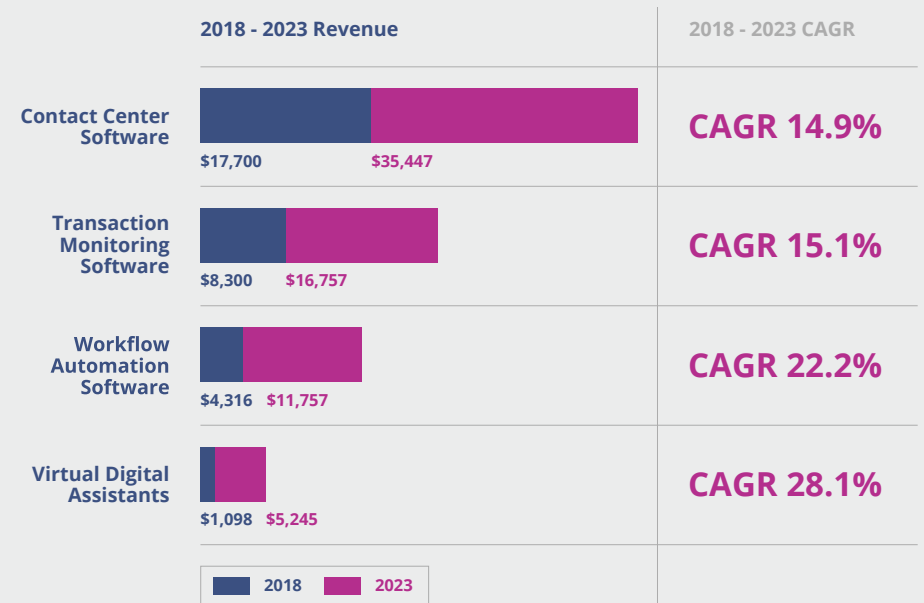
Nexcom's competitive landscape can be divided into two main categories: AI-driven solutions in customer service, including the use of software robots in work processes, and solutions for quality management of customer service.

All solutions are software-based, and there are no clear geographical boundaries, and companies therefore, compete on a global level.

On a global scale, there is a large number of companies operating within all or parts of the market for these types of software. The market ranges from small businesses to large businesses e.g., Cisco Systems that has a market value of 190 billion dollars. Similar to the acquisitions of which Nexcom has been a part, there is a great deal of buying and selling activity in the sector, including among some of the largest companies in the sector.

The market for customer service and contact center software

## Industry Market Size



# The management team



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Rolf Gordon Adamson  
CEO

Rolf started his professional career in the industrial group Unilever and has, since then, held several positions within customer service. Furthermore, he has held director positions at, e.g., outsourcing Company Transcom Denmark A/S and management consulting firm COPC, where he was responsible for the European region. In recent years, Rolf has been Senior Vice President of TDC Group, as part of the YouSee Executive Board.



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Peter Miro Hauge Jensen  
CFO and Vice Chairman

Peter has extensive experience in customer service centers. Peter is founder and co-founder of several tech companies and has previously – among other things – been CEO of 3x34 Transport A.m.b.A.



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Geir Guttuhaugen  
COO

Geir has worked for Telenor for more than 20 years. Recently, Geir was VP, Global Head of Customer Experience at Telenor Group with responsibility for the digital transformation through a customer-oriented approach and for supporting Telenor's companies in Asia and Europe.

# Board of Directors



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Thomas Gregers Honoré  
Chairman

Thomas has more than 25 years of experience in international leadership and business development positions within the digital industry. For the past 10 years, Thomas has been CEO of the listed IT consulting firm Columbus.



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Peter Miro Hauge Jensen  
CFO and Vice Chairman

Peter has extensive experience in customer service centers. Peter is founder and co-founder of several tech companies and has previously – among other things – been CEO of 3x34 Transport A.m.b.A.



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Ronnie Job  
Board member

Ronnie started his career at Ogilvy & Mather Direct. Furthermore, Ronnie has worked for large-scale global tech companies like IBM, HP, Compaq, Microsoft, and Oracle Corp. In 1999, Ronnie founded Adpeople which later became PeopleGroup.



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Torjus Vilhelm Gylstorff  
Board member

Since January 2020, Torjus has been Head of World Wide Sales in the French high tech Company Thales. Previously, he has been Sales Director, Software Nordic at IBM, VP at Symantec, and Managing Director at Norman Data Defence Systems.

# Management's Review

**2020 has been a very exciting year for Nexcom and we have reached important milestones in our journey to become a global leader within Customer Experience Management Software.**

The overall theme of the year has been to prepare ourselves and the Company to fulfill the ambitious growth plan by executing our growth strategy, including a new vision & strategy, new board, new CEO, new executive team, and updated SaaS offerings. We have completed one merger and one acquisition, one capital increase and prepared the Company for a stock market listing in early 2021. Needless to say, it has been a very exciting as well as busy year for Nexcom. However, with all the strategic measures we have taken during the year combined with our 20 years legacy in customer service we have formed the platform for a very successful journey. We are excited by our significant progress and we are looking to the future with much enthusiasm.

## Key activities

Nexcom is a SaaS Company with a compelling purpose of enabling a hyper convenient customer experience for all people, using automation, software robotics and artificial intelligence, which Nexcom have developed during the last 20 years working for agenda-setting clients around the world.

No more bad customer service is the mission for Nexcom! Countless poor customer



service experiences have diluted what people dare to expect of customer service. That is wrong and Nexcom has therefore set out to make hyper convenient customer service the new standard for customer service.

## Development in the year – forming the foundation for growth

Nexcom progressed according to plan growing 15.7% and made significant steps in setting up the business for high growth and reaching both short- and long-term objectives.

This annual report contains solely the results of Nexcom A/S. From 2021, Nexcom will prepare a consolidated annual report including the results of RevealCX.

Nexcom is pleased with its development during 2020.

Some highlights of the development of the year:

## Revenue

2020 showed a revenue of DKK 7,211K which is a satisfactory increase year on

year by DKK 978K and as mentioned earlier a growth of 15.7%. This increase was driven by the merger with Heyware and could have been even more significant was it not for a pass-through invoicing expiring as well as a consolidation of contracts on a client level because of the merger.

### EBITDA

The EBITDA level in 2020 is DKK 2,508K which is considerably higher than 2019 where it was DKK 100K. The 2020 figures do not contain previous owner's salary levels etc. and are therefore reflective of the Company's actual performance, which is at a satisfactory level.

### Net income

The deficit for the year was DKK 973K which was in line with management's expectations.

### Equity

The balance sheet at 31 December 2020 shows equity of DKK 5,502K.

### Merger of Heyware and Nexcom created a platform for further growth

During the financial year, the Company has completed and merged the companies Heyware A/S and Nexcom A/S with Nexcom A/S as the continuing Company with accounting effect per 1 January 2020. The commercial opportunities of the merger are quite clear for us. With an overlap in customers, the two companies' products also complement each other and still address the same market. After completing the merger, Nexcom now offers a customer management suite that enables clients to deliver a hyperconvenient customer experience that can be super charged by AI and machine learning.

### Capital increase to fund the acquisition of RevealCX

In August 2020, the Company made a capital increase of nom. 26,702 shares with proceeds of approx. DKK 4.0 million with a view to increase the solvency of the Company and in-part fund the acquisition of RevealCX Inc.

Nexcom acquired the US Company RevealCX from the internationally recogni-

zed consulting Company COPC Inc. The acquisition included a number of global customers and a unique growth opportunity in North America through a highly recognized brand. With this acquisition Nexcom has +40,000 users globally and customers like Telenor, Telia, TDC in the Nordic region and Groupon, RealPage and Lash in North America.

### New board with international SaaS and leadership experience

In September 2020, the Company brought new competencies to the board as part of its internalization and growth efforts. Thomas Honoré, Torjus Gylstorff and Ronnie Job joined the board and Thomas Honoré was appointed chairman. The board brings a wealth of knowledge and experience from fast growing SAAS players and global tech companies, which will help Nexcom to reach its short-term and long-term objectives.

### New CEO with extensive customer experience background

The Company also welcomed Rolf Adamson as our new CEO. Rolf is an internationally recognized capacity within optimization of large customer-centers and hyper convenient customer service. Rolf joined Nexcom from a position as Senior Vice President in TDC Group.

### Creating a strong executive team with deep industry knowledge

Nexcom has also succeeded in attracting a number of highly competent executives in other positions.

Geir Guttuhaugen has taken on the role of COO and comes from a position as Vice President, Global Head of Customer Experience in Telenor Group.

Iain Ironside has been brought in to take over the role of CTO. Iain Ironside comes from a position as Vice President, Head of Certification, at the global consulting firm COPC.

We are in the process of updating our global team and finding key team members. Our focus is to enable our growth through hiring key players in the relevant geographies.

## COVID-19 impact

The outbreak and spread of COVID-19 at the beginning of 2020 had a slightly negative impact on Nexcom as our customers became more hesitant on digitalization investments and some companies prolonged the procurement cycles. While we are seeing some improvement in the market it is too early to announce that COVID-19 will not impact Nexcom going forward. We are monitoring the global situation very closely while taking all the necessary health and economical precautions to protect our team, customers, and Company.

## Subsequent events – successful stock market listing

After the balance sheet date, the Company has completed a capital increase by listing on the First North Growth Market, which ensures the Company's capital resources for the forthcoming years.

The funds raised of DKK 30 million during the listing will enable the Company to fulfill its plans for further growth and global footprint over next years, and provide the financial stability needed in order to be successful during its growth stage.

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

## We have the following priorities in 2021

**Getting the best sales team in place.** We are building an international sales organization focusing on the US, where we now have a dedicated team in place. Our objective is to have a fully staffed sales organization by the end of Q2 2020 in both Europe and North America. The teams are hired using a combination of management's experience as well as local recruitment expertise, and in the US this has so far shown that we are able to attract profiles with considerable and tangible experience.

**Integrating AI in our SaaS solution.** Upgrading our products to further address more of our clients' needs and stay in the forefront of AI development in our field

is a large part of the strategy for the coming years, this of course includes 2021 where we will be integrating even more machine learning and AI into both RevealCX and eTray, making it possible to generate automated data on customers' interactions with a client's touchpoints and respond in line with both business and customer expectations.

We apply an agile development methodology, where we release new features during the year, and in 2021 we have several new and exciting features planned for release, such as an improved workflow admin portal to make it even easier for clients to design and implement workflows in eTray, integrating reporting from RevealCX into several major CRM, ERP and Telephony platforms, as well as further integrating machine learning into the existing solutions. All improvements are designed to enable our clients to deliver a hyperconvenient customer experience.

**Aligning for growth and optimizing.** During 2021 we will be re-designing and implementing administrative processes and applications on order to prepare the organization for future growth. We will be optimizing administrative areas, such as accounting that will be sourced to a partner and enable us to add deeper skills within financial analysis and forecasting models within the finance department to ensure that management has the relevant tools to steer through the next years of growth and globalization.

As part of being listed, Nexcom wants to ensure that all stakeholders are kept informed about developments through relevant channels, and in order to secure a thorough and timely information to both shareholders and the market we will be adding competences within Communications and Investor Relations.

## Expectations for 2021

Management continues to be confident in being able to deliver according to the budget earlier communicated to the market, which shows a growth in revenue of approximately 60% to a consolidated level at DKK 16.5M\*. This is based on the known pipeline cultivated during 2020, as well as the preliminary development of sales pipeline in the US, where early indications show our predictions to be reali-

stic, and a consolidated EBIDTA level of DKK -8M\*\*, as we continue to invest in a growing team and build an international organisation.

As all future plans, this is dependent on several factors such the markets' response to COVID-19, our ability to leverage on our partnerships as well as continued recruitment of the team in the EU. These are progressing as we had planned and therefore, we expect to see a 2021 which delivers results according to plan.

\* Level of revenue is equal to +/- 10% of the annual estimated revenue

\*\* Level is equal to +/- 5% of the annual estimated EBIDTA



# Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		7,210,614	6,232,721
Other external expenses		(2,130,192)	(2,817,435)
<b>Gross profit/loss</b>		<b>5,080,422</b>	<b>3,415,286</b>
Staff costs	1	(2,572,585)	(3,315,578)
Depreciation, amortization and impairment losses		(2,187,975)	0
<b>Operating profit/loss</b>		<b>319,862</b>	<b>99,708</b>
Other financial income	2	6,818	1
Other financial expenses	3	(1,319,081)	(10,121)
<b>Profit/loss before tax</b>		<b>(992,401)</b>	<b>89,588</b>
Tax on profit/loss for the year		19,241	(19,866)
<b>Profit/loss for the year</b>		<b>(973,160)</b>	<b>69,722</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		(973,160)	69,722
<b>Proposed distribution of profit and loss</b>		<b>(973,160)</b>	<b>69,722</b>

# Balance sheet at

# 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	5	3,855,783	0
Acquired rights		641,025	0
Goodwill		8,699,022	0
Development projects in progress	5	660,726	0
<b>Intangible assets</b>	<b>4</b>	<b>13,856,556</b>	<b>0</b>

Other fixtures and fittings, tools and equipment		64,260	0
<b>Property, plant and equipment</b>	<b>6</b>	<b>64,260</b>	<b>0</b>

Investments in group enterprises		5,685,018	0
Deposits		137,970	8,370
<b>Financial assets</b>	<b>7</b>	<b>5,822,988</b>	<b>8,370</b>

<b>Fixed assets</b>		<b>19,743,804</b>	<b>8,370</b>
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Trade receivables		1,507,137	837,645
Receivables from group enterprises		686,270	150,000
Other receivables		2,794	0
Income tax receivable		630,241	0

	Notes	2020 DKK	2019 DKK
Prepayments		81,486	248,198
<b>Receivables</b>		<b>2,907,928</b>	<b>1,235,843</b>
<b>Cash</b>		<b>12,186</b>	<b>959,012</b>
<b>Current assets</b>		<b>2,920,114</b>	<b>2,194,855</b>
<b>Assets</b>		<b>22,663,918</b>	<b>2,203,225</b>

## Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		526,702	500,000
Reserve for development expenditure		3,522,877	0
Retained earnings		1,452,517	166,364
<b>Equity</b>		<b>5,502,096</b>	<b>666,364</b>

Deferred tax		999,061	0
<b>Provisions</b>		<b>999,061</b>	<b>0</b>

Bank loans		3,687,606	0
Debt to other credit institutions		4,516,084	0
Other payables		245,484	119,080
Deferred income		27,103	0
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>8,476,277</b>	<b>119,080</b>

Bank loans		1,434,608	0
Payables to other credit institutions		747,126	0
Trade payables		1,240,706	152,764
Payables to shareholders and management		1,607,762	0
Income tax payable		0	15,866
Other payables		1,805,641	478,623
Deferred income		850,641	770,528
<b>Current liabilities other than provisions</b>		<b>7,686,484</b>	<b>1,417,781</b>

<b>Liabilities other than provisions</b>		<b>16,162,761</b>	<b>1,536,861</b>
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<b>Equity and liabilities</b>		<b>22,663,918</b>	<b>2,203,225</b>
Unrecognized rental and lease commitments	9		
Assets charged and collateral	10		

## Statement of

# changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	0	0	166,364	666,364
Increase of capital	26,702	3,978,598	0	0	4,005,300
Transferred from share premium	0	(3,978,598)	0	3,978,598	0
Costs related to equity transactions	0	0	0	(227,497)	(227,497)
Effect of merger with Heyware A/S as of 1 January 2020.	0	0	0	2,031,089	2,031,089
Transfer to reserves	0	0	3,522,877	(3,522,877)	0
Profit/loss for the year	0	0	0	(973,160)	(973,160)
<b>Equity end of year</b>	<b>526,702</b>	<b>0</b>	<b>3,522,877</b>	<b>1,452,517</b>	<b>5,502,096</b>

# Notes

## 1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	4,472,135	3,257,317
Pension costs	0	0
Other social security costs	21,512	20,251
Other staff costs	124,648	38,010
	<b>4,618,295</b>	<b>3,315,578</b>
Staff costs classified as assets	(2,045,710)	0
	<b>2,572,585</b>	<b>3,315,578</b>

Average number of full-time employees	4	3
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In accordance with the Danish Financial statements Act for class B enterprises, remuneration to Executive Management and fees to Board of Directors are not disclosed.

## 2 Other financial income

	2020 DKK	2019 DKK
Financial income from group enterprises	6,662	0
Other interest income	156	1
	<b>6,818</b>	<b>1</b>

### 3 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	2,465	0
Other interest expenses	512,699	10,121
Exchange rate adjustments	26,910	0
Other financial expenses	777,007	0
	<b>1,319,081</b>	<b>10,121</b>

### 4 Intangible assets

	Completed developments project DKK	Acquired rights DKK	Goodwill DKK	Development projects in progress DKK
Addition through business combinations etc	1,989,947	999,000	10,148,859	0
Additions	2,678,230	0	0	660,726
<b>Cost end of year</b>	<b>4,668,177</b>	<b>999,000</b>	<b>10,148,859</b>	<b>660,726</b>
Addition through business combinations etc	(183,060)	(258,075)	0	0
Amortization for the year	(629,334)	(99,900)	(1,449,837)	0
<b>Amortization and impairment losses end of year</b>	<b>(812,394)</b>	<b>(357,975)</b>	<b>(1,449,837)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>3,855,783</b>	<b>641,025</b>	<b>8,699,022</b>	<b>660,726</b>

Based on the valuation obtained for Nexcom A/S in connection with the IPO in January 2021, Management has assessed that this implies that the recoverable amount for intangible assets exceeds the carrying values at 31.12.2020.

## 5 Development projects

Development projects include the development of the userinsight platform. The development project essentially consists of costs in the form of direct salaries and other costs, which are registered through the Company's internal project module.

The userinsight platform is expected to bring significant competitive advantages and thus contribute to a significant increase in the activity level and future earnings for the Company.

## 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Transfers	36,253
Additions	49,600
<b>Cost end of year</b>	<b>85,853</b>
Depreciation and impairment losses beginning of year	(12,689)
Depreciation for the year	(8,904)
<b>Depreciation and impairment losses end of year</b>	<b>(21,593)</b>
<b>Carrying amount end of year</b>	<b>64,260</b>

## 7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	8,370
Additions	5,685,018	129,600
<b>Cost end of year</b>	<b>5,685,018</b>	<b>137,970</b>
<b>Carrying amount end of year</b>	<b>5,685,018</b>	<b>137,970</b>

Based on the valuation obtained for Nexcom A/S in connection with the IPO in January 2021, Management has assessed that this implies that the recoverable amount for the investment in group enterprises exceeds the carrying value at 31.12.2020.



Investments in subsidiaries	Registered in	Equity interest %
Reveal CX Ltd.	the US	100

## 8 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Bank loans	3,687,606	0
Debt to other credit institutions	4,516,084	0
Other payables	245,484	245,484
Deferred income	27,103	0
	<b>8,476,277</b>	<b>245,484</b>

## 9 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	<b>129,600</b>	<b>17,000</b>

## 10 Assets charged and collateral

Bank loans are secured by way of a corporate mortgage of DKK 8,203k with a mortgage on intangible and tangible fixed assets and trade receivables. The value of the pledged assets is DKK 10,911k.

# Accounting policies



## Reporting class

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

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

Heyware A/S acquired the entire share capital in Nexcom A/S in December 2019. Heyware A/S and Nexcom A/S merged with effect from 1 January 2020 with Nexcom A/S as the surviving entity. The merger has been accounted for as a reverse merger applying the book value method, which – among other things – implies that the purchase price allocation applied by Heyware A/S from the acquisition of Nexcom A/S is reflected in the balance sheet of the surviving entity and without any adjustments of comparative figures.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a

prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

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

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

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

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

## Business acquisitions

Heyware A/S' acquisition of Nexcom A/S in December 2019 was accounted for according to the purchase method whereby the purchase price has been alloca-

ted to the identifiable assets, liabilities and contingent liabilities based on their fair values. Any unallocated amounts are recognized as goodwill (see separate description below).

## Income statement

### Revenue

Revenue derive from different sources. Revenue from subscription services and license agreements are recognized on a straight-line basis over the term of the subscriptions and license agreements. Revenue from the sale of solutions are generally recognized upon finalization of the project and transfer of risk to the customer.

Revenue from consulting services are generally recognized concurrently with the work being performed. Revenue is measured at fair value of the agreed consideration, net of VAT, duties and any sales discounts.

### Other external expenses

Other external expenses include expenses relating to the corporate costs ordinary activities, including premises, it-costs, marketing costs, corporate costs etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortization and impairment losses for the financial year, and gains and losses from the sale of intangible assets and plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income

on receivables from group enterprises, currency gains and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, currency losses and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Useful lives are reassessed annually. The amortization period used is 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the entity can be established, and where the intention is to market or apply the product or process in question, are

recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects. Indirect production costs in the form of indirectly attributable staff costs and amortization of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortization is the remaining duration of the relevant rights. The amortization periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortization.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

- Other fixtures and fittings, tools and equipment: 5 years

The depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

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

### **Tax payable or receivable**

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

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying

amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortization of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

#### **Other financial liabilities**

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

#### **Deferred income**

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

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nexcom A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at and of the results of its operations for the financial year - . 31.12.2020 - 01.01.2020

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

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

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Copenhagen, 29.03.2021

## Executive Board

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**Rolf Gordon Adamson**  
Chief Executive Officer

## Board of Directors

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**Thomas Gregers Honoré**  
Chairman

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**Peter Miro Hauge Jensen**

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**Ronnie Job**

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**Torjus Vilhelm Gylstorff**

# Independent auditor's report



## To the shareholders of Nexcom A/S

### Opinion

We have audited the financial statements of Nexcom A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's

responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the management commentary

Management is responsible for the management commentary.

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

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



Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

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Copenhagen, 29.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant

Identification No (MNE) mne10944

Mads Juul Hansen

State Authorised Public Accountant

Identification No (MNE) mne44386

# Entity details

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## Entity

### **Nexcom A/S**

Sankt Annæ Plads 13  
1250 Copenhagen K  
CVR No.: 20348046  
Registered office: Copenhagen K  
Financial year: 01.01.2020 - 31.12.2020



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## Board of Directors

Thomas Gregers Honoré, Chairman  
Peter Miro Hauge Jensen  
Ronnie Job  
Torjus Vilhelm Gylstorff



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## Executive Board

Rolf Gordon Adamson  
*Chief Executive Officer*



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## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S



The logo for Nexcom, featuring a stylized black arrow pointing left that forms the letter 'n', followed by the text 'excom.' in a bold, black, sans-serif font. A small pink square is positioned at the end of the period.