

2OPERATE A/S

NIELS JERNES VEJ 10, 9220 AALBORG Ø

ANNUAL REPORT

1 JULY 2020 - 30 JUNE 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 18 November 2021**

Christian Wiese Svanberg

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COMPANY DETAILS

Company	Zoperate A/S Niels Jernes Vej 10 9220 Aalborg Ø CVR No.: 32 06 75 22 Established: 16 February 2009 Registered Office: Aalborg Financial Year: 1 July 2020 - 30 June 2021
Board of Directors	Kaj Juul-Pedersen, chairman Søren Klausen Søndergaard Christian Wiese Svanberg
Board of Executives	Søren Klausen Søndergaard CEO
Auditor	EY Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A 9000 Aalborg
Bank	Nykredit

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Zoperate A/S for the financial year 1 July 2020 - 30 June 2021.

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 Company's financial position at 30 June 2021 and of the results of the Company's operations for the financial year 1 July 2020 - 30 June 2021.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 18 November 2021

Board of Executives

Søren Klausen Søndergaard
CEO

Board of Directors

Kaj Juul-Pedersen
Chairman

Søren Klausen Søndergaard

Christian Wiese Svanberg

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 2operate A/S

Opinion

We have audited the financial statements of 2Operate A/S for the financial year 1 July 2020 - 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 June 2021 and of the results of the Company's operations for the financial year 1 July 2020 - 30 June 2021 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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 Management's Review

Management is responsible for the Management's review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Aalborg, 18 November 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30700228

Hans B. Vistisen
State Authorised Public Accountant
MNE no. mne23254

MANAGEMENT'S REVIEW

Principal activities

Zoperate develops and commercializes software solutions for Operation Support Systems, OSS, within Telecommunication. Related additional expertise services is delivered especially for operating and optimizing Radio Access Network.

Development in activities and financial position

Current product solutions being used by our customers is our core Zsolve multi-vendor Performance and Troubleshooting platform and our supplementary products, Site Configurator and Service Classifier.

Current development project ECO-RAN is in good progress in cooperation with TT Netværket and Computer Science at Aalborg University. ECO-RAN is our solution for energy saving in the Radio Access Network enhancing sustainability in telecommunication.

During the year 5G and IoT rollout has intensified supported by Zsolve enhancements in modelling and reporting these infrastructures.

Financial Development

In fiscal year 2020/21 Zoperate got a result of DKK -48 thousand. In comparison last year result was DKK 618 thousand.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2020/21 DKK	2019/20 DKK
NET REVENUE		2,802,314	4,956,792
Own work.....		2,180,000	2,598,000
Other operating income.....		0	1,449,000
Other external expenses.....		-828,452	-1,218,287
GROSS PROFIT/LOSS		4,153,862	7,785,505
Staff costs.....	1	-3,152,828	-3,676,645
Depreciation, amortisation and impairment.....		-1,345,005	-3,268,675
OPERATING LOSS		-343,971	840,185
Other financial expenses.....		-99,963	-65,961
LOSS BEFORE TAX		-443,934	774,224
Tax on profit/loss for the year.....	2	396,421	-156,000
LOSS FOR THE YEAR		-47,513	618,224
 PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-47,513	618,224
TOTAL		-47,513	618,224

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2021 DKK	2020 DKK
Development projects completed.....		4,236,113	5,108,836
Development projects in progress and prepayments.....		2,596,000	886,000
Intangible fixed assets.....	3	6,832,113	5,994,836
Other plants, machinery, tools and equipment.....		1,711	3,992
Tangible fixed assets.....	4	1,711	3,992
FIXED ASSETS.....		6,833,824	5,998,828
Trade receivables.....		1,423,502	1,940,491
Other receivables.....		37,148	598,706
Receivables corporation tax.....		287,421	44,294
Prepayments and accrued income.....		126,066	44,602
Receivables.....		1,874,137	2,628,093
Cash and cash equivalents.....		1,381,618	1,896,893
CURRENT ASSETS.....		3,255,755	4,524,986
ASSETS.....		10,089,579	10,523,814
 EQUITY AND LIABILITIES			
Share capital.....		1,625,000	1,625,000
Transfer to reserve for development costs.....		5,329,048	4,490,838
Retained profit.....		-496,155	389,568
EQUITY.....		6,457,893	6,505,406
Provision for deferred tax.....		236,000	345,000
PROVISION FOR LIABILITIES.....		236,000	345,000
Debt Instruments.....		1,325,221	1,716,150
Long-term liabilities.....	5	1,325,221	1,716,150
Short-term portion of long-term liabilities.....	5	403,800	359,450
Bank debt.....		1,042	6,299
Trade payables.....		40,887	40,817
Other liabilities.....		592,209	506,631
Accruals and deferred income.....		1,032,527	1,044,061
Current liabilities.....		2,070,465	1,957,258
LIABILITIES.....		3,395,686	3,673,408
EQUITY AND LIABILITIES.....		10,089,579	10,523,814
 Charges and securities	 6		

EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 July 2020.....	1,625,000	4,490,838	389,568	6,505,406
Proposed distribution of profit.....			-47,513	-47,513
Transferred to reserve for development costs.....		838,210	-838,210	
Equity at 30 June 2021.....	1,625,000	5,329,048	-496,155	6,457,893

NOTES

	2020/21 DKK	2019/20 DKK	Note
Staff costs			1
Average number of employees 8 (2019/20: 6)			
Wages and salaries.....	3,066,954	3,532,004	
Social security costs.....	32,711	43,944	
Other staff costs.....	53,163	100,697	
	3,152,828	3,676,645	

Of this, salaries and staff costs amounting to DKK 2.180 thousand have been capitalised as development projects (2019/20: DKK 2.598 Thousand).

Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-272,558	0	
Adjustment of tax for previous years.....	-154,863	0	
Adjustment of deferred tax.....	31,000	156,000	
	-396,421	156,000	

Intangible fixed assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 July 2020.....	15,166,163	886,000	
Transfer.....	470,000	-470,000	
Additions.....	0	2,180,000	
Cost at 30 June 2021.....	15,636,163	2,596,000	
Amortisation at 1 July 2020.....	10,057,326	0	
Amortisation for the year.....	1,342,724	0	
Amortisation at 30 June 2021.....	11,400,050	0	
Carrying amount at 30 June 2021.....	4,236,113	2,596,000	

Development projects completed

Contains development of 2solve trouble-shooting suite, 2solve satcom, Bangabandhu, Advanced OSS, SiteConfiguration, ServiceClassifier, MegaMan and 2Solve project. The carrying amount is 15,636 TDKK by 30th of June 2021.

The activities are depreciated over 5 years.

Management has not identified an indication of impairment.

Development projects in progress and prepayments

Contains development of the project EcoRan. The carrying amount is 2,596 TDKK by 30th of June 2021.

Management has not identified an indication of impairment other than the mentioned above in relation to the carrying amount.

NOTES

					Note
Tangible fixed assets				Other plants, machinery, tools and equipment	4
Cost at 1 July 2020.....				56,617	
Cost at 30 June 2021.....				56,617	
Depreciation and impairment losses at 1 July 2020.....				52,625	
Depreciation for the year.....				2,281	
Depreciation and impairment losses at 30 June 2021.....				54,906	
Carrying amount at 30 June 2021.....				1,711	
 Long-term liabilities					 5
	30/6 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2020 total liabilities	Current portion at the beginning of the year
Convertible and interest- bearing debt instruments.....	1,729,021	403,800	0	2,075,600	0
	1,729,021	403,800	0	2,075,600	0
 Charges and securities					 6
2operate ApS has provided as collateral for the fulfilment of the debt instruments of DKK 1.729 thousand by 30 June 2021 their right to development projects, other rights, and receivables from sales.					
As collateral for balances with bank, 2Operate has issued a floating charge of DKK 2.000 thousand.					

ACCOUNTING POLICIES

The Annual Report of 2operate A/S for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

INCOME STATEMENT

Net revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

The Net Revenue from sale of merchandise and finished goods is recognized in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognized exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities.

Other external expenses

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, and similar expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realized and unrealized gains and losses arising from debt and transactions in foreign currencies. Financial income and expenses are recognized in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Acquired rights are measured at the lower of cost less accumulated amortization or recoverable amount. Acquired rights are amortized over 5 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

ACCOUNTING POLICIES

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and writedowns.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	2 years	0 %

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit or loss from sale of tangible fixed assets is stated as the difference between sales price less cost of sales and the carrying amount at the time of sale. Profit or loss is recognised in the Income Statement.

Receivables

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

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash comprises cash in hand and bank deposits.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.