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Arpedio Solutions ApS

Birkedommervej 27
2400 København NV
CVR No. 34219591

Annual report 2020

The Annual General Meeting adopted the annual report on 29.06.2021

Torben Frigaard Rasmussen
Chairman of the General Meeting

Contents

Entity details

Entity

Arpedio Solutions ApS
Birkedommervej 27
2400 København NV

CVR No.: 34219591
Registered office: Copenhagen
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Torben Frigaard Rasmussen
Ulrik Monberg

Executive Board

Ulrik Monberg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Arpedio Solutions ApS for the financial year 01.01.2020 - 31.12.2020.

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

In my 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.

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

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

København, 29.06.2021

Executive Board

Ulrik Monberg

Board of Directors

Torben Frigaard Rasmussen **Ulrik Monberg**

Independent auditor's report

To the shareholders of Arpedio Solutions ApS

Opinion

We have audited the financial statements of Arpedio Solutions ApS 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.

København, 29.06.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Juul Hansen
State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Primary activities
The company's activity consists in the development of software and related services.

Development in activities and finances
The income statement of the Company for 2020 shows a loss of DKK (3,082)k which is below expectations for the year. For 2021 the Company expects a positive increase in operating profit.

Management expects that the necessary financing for future activities can be secured or can be generated through Salesforce.com consulting revenue from group companies. Current resource situations can be adjusted to fit the revenue stream and available capital as needed.

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

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		**(96,185)**	**(98,185)**
Staff costs	1	(5,321,652)	(2,600,025)
Depreciation, amortisation and impairment losses		(557,460)	(410,540)
Operating profit/loss		**(5,975,297)**	**(3,108,750)**
Income from investments in group enterprises		2,758,316	1,021,839
Other financial income	2	97,164	11,840
Other financial expenses	3	(133,432)	(115,383)
Profit/loss before tax		**(3,253,249)**	**(2,190,454)**
Tax on profit/loss for the year	4	171,209	135,526
Profit/loss for the year		**(3,082,040)**	**(2,054,928)**
Proposed distribution of profit and loss			
Retained earnings		(3,082,040)	(2,054,928)
Proposed distribution of profit and loss		**(3,082,040)**	**(2,054,928)**

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	997,019	776,258
Intangible assets	5	**997,019**	**776,258**
Other fixtures and fittings, tools and equipment		40,604	0
Property, plant and equipment	7	**40,604**	**0**
Investments in group enterprises		4,915,179	2,167,947
Deposits		282,197	67,800
Financial assets	8	**5,197,376**	**2,235,747**
Fixed assets		**6,234,999**	**3,012,005**
Trade receivables		586,298	84,073
Receivables from group enterprises		350,903	223,890
Other receivables		497,890	146,096
Income tax receivable		337,307	166,098
Receivables		**1,772,398**	**620,157**
Cash		**1,597,578**	**0**
Current assets		**3,369,976**	**620,157**
Assets		**9,604,975**	**3,632,162**

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		251,490	228,626
Reserve for net revaluation according to the equity method		1,281,520	1,281,520
Reserve for development expenditure		288,209	605,481
Retained earnings		(3,881,771)	(3,094,140)
Equity		**(2,060,552)**	**(978,513)**
Debt to other credit institutions		6,000,000	0
Payables to shareholders and management		354,808	0
Other payables		407,683	464,689
Non-current liabilities other than provisions		**6,762,491**	**464,689**
Bank loans	9	0	1,434,422
Trade payables		236,106	259,346
Payables to group enterprises		3,212,123	1,739,386
Payables to shareholders and management		2,678	2,957
Other payables		1,092,196	358,436
Deferred income		359,933	351,439
Current liabilities other than provisions		**4,903,036**	**4,145,986**
Liabilities other than provisions		**11,665,527**	**4,610,675**
Equity and liabilities		**9,604,975**	**3,632,162**
Contingent assets	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	228,626	0	1,281,520	605,481	(3,094,140)
Increase of capital	22,864	1,977,137	0	0	0
Transferred from share premium	0	(1,977,137)	0	0	1,977,137
Transfer to reserves	0	0	0	(317,272)	317,272
Profit/loss for the year	0	0	0	0	(3,082,040)
Equity end of year	**251,490**	**0**	**1,281,520**	**288,209**	**(3,881,771)**

	Total DKK
Equity beginning of year	(978,513)
Increase of capital	2,000,001
Transferred from share premium	0
Transfer to reserves	0
Profit/loss for the year	(3,082,040)
Equity end of year	**(2,060,552)**

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	5,527,447	2,495,181
Other social security costs	65,475	29,796
Other staff costs	143,063	241,813
	5,735,985	**2,766,790**
Staff costs classified as assets	(414,333)	(166,765)
	5,321,652	**2,600,025**

Average number of full-time employees	**11**	**6**

2 Other financial income

	2020 DKK	2019 DKK
Other interest income	0	2
Exchange rate adjustments	97,164	11,838
	97,164	**11,840**

3 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	133,432	115,383
	133,432	**115,383**

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(171,209)	(135,526)
	(171,209)	**(135,526)**

Current tax represents tax credit provided on the tax value of the Company´s development activities.

5 Intangible assets

	Completed development projects DKK
Cost beginning of year	5,460,508
Additions	778,221
Cost end of year	**6,238,729**
Amortisation and impairment losses beginning of year	(4,684,250)
Amortisation for the year	(557,460)
Amortisation and impairment losses end of year	**(5,241,710)**
Carrying amount end of year	**997,019**

6 Development projects

The Arpedio software and related features are significant intangible assets. The cost price of development projects is derived from time spent by developers and management expressed in cost of man hours and external development cost. On an ongoing basis Management assess the value of the assets. This assessment consist of a number of elements covering the future market potential and business case for Arpedio future operations and growth expectations. The value of the software has been reviewed for impairment but no need for write down has been identified.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	40,604
Cost end of year	**40,604**
Carrying amount end of year	**40,604**

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	1,007,081	67,800
Additions	0	214,397
Cost end of year	**1,007,081**	**282,197**
Revaluations beginning of year	1,160,866	0
Amortisation of goodwill	(108,706)	0
Share of profit/loss for the year	2,865,388	0
Revaluations end of year	**3,917,548**	**0**
Impairment losses for the year	(9,450)	0
Impairment losses end of year	**(9,450)**	**0**
Carrying amount end of year	**4,915,179**	**282,197**

Investments in subsidiaries	**Equity interest %**
Arpedio Solutions US, INC.	100
TBAC ApS	100

9 Bank loans

The Company’s bank loan has been secured by way of a growth guarantee. This guarantee is written down on a straight-line and annual basis – initially effective from July 2016.

Furthermore, the Company’s owners have provided a limited pro rata surety guarantee.

10 Contingent assets

Tax value of unused tax losses carried forward represent a value of DKK 3,459,000.

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Ulrik Monberg Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

For the security of the company's bank debt, a mortgage of DKK 2,000k has been given in trade receivables, other fixtures and fittings, tool and equipment and developed intangible assets.

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.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales, consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes 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, amortisation and impairment losses

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, 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

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 enterprise can be established, and where the intention is to manufacture, 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 amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation 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 of the assets. The amortisation period is 3 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

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. Land is not depreciated.

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 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 recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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.

Cash
Cash comprises cash of bank deposits.

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.