



Software@2BM A/S

Livjærgade 17
2100 København Ø
CVR No. 37583790

Annual report 2021

The Annual General Meeting adopted the
annual report on 26.04.2022

Lars Bork Dylander

Chairman of the General Meeting

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Entity details

Entity

Software@2BM A/S

Livjærgade 17

2100 København Ø

Business Registration No.: 37583790

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille, Chairman

Sten Tore Sanberg Davidsen, Vice chairman

Janus Sørensen

Lars Bork Dylander

Executive Board

Martin Gert Pock, CEO

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 Software@2BM A/S for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Copenhagen, 26.04.2022

Executive Board

Martin Gert Pock
CEO

Board of Directors

Caroline Søeborg Ahlefeldt-Laurvig-Bille
Chairman

Sten Tore Sanberg Davidsen
Vice chairman

Janus Sørensen

Lars Bork Dylander

Independent auditor's report

To the shareholder of Software@2BM A/S

Opinion

We have audited the financial statements of Software@2BM A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 26.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Hartmann Olesen

State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Primary activities

The primary activities of Software@2BM include the sale, development, and maintenance of software components to companies that use the ERP system SAP to perform maintenance, service and inventory processes, and text messaging solutions for companies that send text messages in Denmark and/or abroad.

The software solutions include:

- 2BM Mobile Work Order suite
 - o 2BM Mobile Work Order
 - o Checklist Manager & Checklist Module
 - o Supervisor Dashboard
 - o Asset Connector
 - o Mobile Predictive Maintenance
- 2BM Mobile Warehouse
- 2BM SMS Software

In 2021, the Mobile Predictive Maintenance solution was further developed for the 2BM Mobile Work Order suite. The solution is an innovative machine learning module and platform for the app, approved by the Innovation Fund Denmark, which also financially supports the project. The solution also uses the Asset Connector and Supervisor Dashboard, thus increasing the value for the customers. In addition, the solutions Checklist Manager & Checklist Module were further developed and put into operation with existing customers. All solutions are unique to competitors and improve the Company's value proposition to customers and partners.

In 2021, investments continued to be made in the sale, marketing, and delivery of the 2BM software through partners. Through participation in the global SAP platinum partnership alliance called United VARs, it has been possible for the Company to enter into partnerships for the sale and marketing of its software solutions in several countries and continents.

Development in activities and finances

The after-tax profit for the year amounts to DKK 340 thousand against a profit of DKK 422 thousand last year. The development should be compared to the fact that Software@2BM a/s expected improved performance and increased volume in the annual report for 2020. The increased volume has been achieved, but investments in product development have also increased.

Software solutions for a global business market require continued investment, effort, and marketing. In addition, the COVID-19 pandemic continued in 2021, thus limiting the possibilities of travelling, establishing new partnerships, and participating in major trade fairs and conventions.

Management considers this year's performance satisfactory.

The Company expects a similar performance in 2022 – however, with an increased volume – and with an increasing number of employees for the sale and development of the software solutions.

Outlook

Increased activity and revenue are expected in 2022 due to several completed implementations at large international companies, allowing the value of the products to be made visible. The increase in activity is financed by increasing licensing income and a possible external capital injection by the parent company 2BM.

Software@2BM a/s expects to maintain a strong liquidity position in 2022, just as the level of investment is expected to increase compared to previous years.

Research and development activities

Software@2BM a/s incurred development costs in 2021, all relating to the further development of the Company's software components.

The costs have been capitalised in the financial statements to a limited extent. Still, as a significant increase in value and customer intake appear, they will be considered part of the Company's intangible assets. A moderate capitalisation of DKK 3 million was made in 2021, just as management and control of the actual investments have significantly improved.

The software products are developed according to the release plan with two annual releases and will continue to be marketed and sold in Denmark and abroad through partners in 2022.

The market is still considered huge and is expected to develop significant business opportunities in the next few years, thus resulting in increased activity levels.

Events after the balance sheet date

No additional events have occurred after the balance sheet date to this date, which would significantly influence the financial position of Software@2BM a/s.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		5,698	5,223
Staff costs	1	(2,816)	(2,265)
Depreciation, amortisation and impairment losses		(2,573)	(2,584)
Operating profit/loss		309	374
Other financial income		13	1
Other financial expenses		(137)	(26)
Profit/loss before tax		185	349
Tax on profit/loss for the year	2	155	73
Profit/loss for the year		340	422
Proposed distribution of profit and loss			
Retained earnings		340	422
Proposed distribution of profit and loss		340	422

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	4	5,273	4,446
Acquired intangible assets		400	800
Intangible assets	3	5,673	5,246
Fixed assets		5,673	5,246
Trade receivables		2,294	1,965
Contract work in progress		839	905
Other receivables		689	116
Joint taxation contribution receivable		248	258
Receivables		4,070	3,244
Cash		188	17
Current assets		4,258	3,261
Assets		9,931	8,507

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		510	510
Reserve for development expenditure		4,113	3,465
Retained earnings		(3,256)	(2,948)
Equity		1,367	1,027
Deferred tax		1,247	1,153
Provisions		1,247	1,153
Other payables		403	403
Non-current liabilities other than provisions	5	403	403
Prepayments received from customers		664	599
Trade payables		287	312
Payables to group enterprises		5,348	4,683
Other payables		615	330
Current liabilities other than provisions		6,914	5,924
Liabilities other than provisions		7,317	6,327
Equity and liabilities		9,931	8,507
Contingent liabilities	6		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	510	3,465	(2,948)	1,027
Transfer to reserves	0	648	(648)	0
Profit/loss for the year	0	0	340	340
Equity end of year	510	4,113	(3,256)	1,367

Notes

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	5,244	3,927
Pension costs	472	359
Other social security costs	69	52
Other staff costs	31	207
	5,816	4,545
Staff costs classified as assets	(3,000)	(2,280)
	2,816	2,265
Average number of full-time employees	6	5

The Company has established a warrant program with a total issuance of 25.000 warrants based on the Company's development in 2019 and 2020.

2 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	(248)	(258)
Change in deferred tax	93	185
	(155)	(73)

3 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000
Cost beginning of year	7,442	4,775
Additions	3,000	0
Cost end of year	10,442	4,775
Amortisation and impairment losses beginning of year	(2,996)	(3,975)
Amortisation for the year	(2,173)	(400)
Amortisation and impairment losses end of year	(5,169)	(4,375)
Carrying amount end of year	5,273	400

4 Development projects

The company develops software that supports the company's main activity. The costs include internal development hours and are valued in relation to business cases for the software products and already sold produkter. An annual review of the valuation of development costs shall be carried out.

5 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Other payables	403	403
	403	403

6 Contingent liabilities

The company is part of Danish co-taxation with Laura ApS as a management company. The Company is therefore liable to i under the Company Tax Act's rules on any liabilities to contain withholding tax on interest, royalties and dividends for the jointly taxed companies.

Selskabet has entered into an administrative agreement with 2BM A/S.

Selskabet has no other Contingent liabilities.

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 a few provisions for reporting class C.

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in work in progress, other operating income and external expenses.

Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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 property, plant and equipment and intangible assets comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives fixed for the individual assets and impairment tests of gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 in the 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. 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. Development projects are written down to recoverable amount if this is lower than the carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The assets are amortised on a straight-line basis over their remaining duration. The amortisation period is 5 years.

Intellectual property rights etc 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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises cash in hand and 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.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.