

2OPERATE A/S

NIELS JERNES VEJ 10, 9220 AALBORG Ø

ANNUAL REPORT

1 JULY 2023 - 30 JUNE 2024

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 13 December 2024**

Christian Wiese Svanberg

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COMPANY DETAILS

Company	2operate A/S Niels Jernes Vej 10 9220 Aalborg Ø CVR No.: 32 06 75 22 Established: 16 February 2009 Financial Year: 1 July 2023 - 30 June 2024
Board of Directors	Kaj Juul-Pedersen, chairman Søren Klausen Søndergaard Christian Wiese Svanberg
Executive Board	Søren Klausen Søndergaard CEO
Auditor	EY Godkendt Revisionspartnerselskab Østre Havnegade 65 9000 Aalborg
Bank	Nykredit

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of 2operate A/S for the financial year 1 July 2023 - 30 June 2024.

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 assets, liabilities and financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Aalborg, 13 December 2024

Executive Board

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 2023 - 30 June 2024, which comprise income statement, balance sheet 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 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 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' 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.

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.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT

- 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 note 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 Commentary

Management is responsible for Management Review.

Our opinion on the Financial Statements does not cover Management 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 Management Review and, in doing so, consider whether Management 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 Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management 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 Management Review.

Aalborg, 13 December 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30700228

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

MANAGEMENT COMMENTARY

Principal activities

2operate 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. The solutions from Telecommunication is recently been transferred to the energy sector to deliver Smartgrid functions to stabilize electricity grids with high amounts of renewable energy production.

Development in activities and financial and economic position

Current product solutions in operation are our AI based 2solve multi-vendor Performance and Troubleshooting platform and our supplementary products, Site Configurator and Service Classifier. Furthermore, ECO-RAN has been developed 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 and is operational in national mobile networks. ECO-RAN Flex is the newest addition to the solution portfolio and is able to control and adjust power consumption of thousands of decentralized power consumers to liver grid services to society as well as cost saving to the owners.

Financial Development

In fiscal year 2023/24 2operate got a result of DKK 103 thousand. In comparison last year result was DKK -1.743 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	2023/24 DKK	2022/23 DKK
NET REVENUE		3.945.288	3.094.128
Own work.....		2.102.838	2.339.863
Other operating income.....		237.814	118.907
Other external expenses.....		-1.112.957	-1.641.252
GROSS PROFIT/LOSS		5.172.983	3.911.646
Staff costs.....	1	-3.052.179	-3.256.818
Depreciation, amortisation and impairment.....		-1.861.765	-2.758.059
OPERATING PROFIT		259.039	-2.103.231
Other financial income.....		2	773
Other financial expenses.....		-66.896	-35.292
PROFIT BEFORE TAX		192.145	-2.137.750
Tax on profit/loss for the year.....	2	-89.152	395.066
PROFIT FOR THE YEAR		102.993	-1.742.684
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		102.993	-1.742.684
TOTAL		102.993	-1.742.684

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2024 DKK	2023 DKK
Development projects completed.....		3.795.143	5.656.907
Development projects in progress and prepayments.....		4.035.588	1.932.750
Intangible assets.....	3	7.830.731	7.589.657
NON-CURRENT ASSETS.....		7.830.731	7.589.657
Trade receivables.....		1.204.957	581.056
Other receivables.....		106.543	51.358
Receivables corporation tax.....		353.066	386.667
Prepayments.....		56.741	22.371
Receivables.....		1.721.307	1.041.452
Cash and cash equivalents.....		4.883	59.046
CURRENT ASSETS.....		1.726.190	1.100.498
ASSETS.....		9.556.921	8.690.155
EQUITY AND LIABILITIES			
Share capital.....		1.625.000	1.625.000
Transfer to reserve for development costs.....		6.107.969	5.919.932
Retained profit.....		-2.585.084	-2.500.040
EQUITY.....		5.147.885	5.044.892
Provision for deferred tax.....		190.000	104.000
PROVISIONS.....		190.000	104.000
Debt instruments.....		100.950	504.750
Non-current liabilities.....	4	100.950	504.750
Short-term part of long-term liabilities.....		403.800	403.800
Bank debt.....		758.334	517
Trade payables.....		229.589	231.453
Other liabilities.....		416.269	211.192
Accruals and deferred income.....		2.310.094	2.189.551
Current liabilities.....		4.118.086	3.036.513
LIABILITIES.....		4.219.036	3.541.263
EQUITY AND LIABILITIES.....		9.556.921	8.690.155
Charges and securities	5		

EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 July 2023	1.625.000	5.919.932	-2.500.040	5.044.892
Proposed profit allocation.....			102.993	102.993
Other legal bindings				
Capitalized development costs.....		188.037	-188.037	0
Equity at 30 June 2024.....	1.625.000	6.107.969	-2.585.084	5.147.885

NOTES

	2023/24 DKK	2022/23 DKK	Note
Staff costs			1
Average number of employees	5	5	
Wages and salaries.....	3.016.993	3.219.923	
Social security costs.....	35.186	36.895	
	3.052.179	3.256.818	
Of this, salaries and staff costs amounting to DKK 2.103 thousand have been capitalised as development projects (2022/23: DKK 1.914 Thousand).			
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	0	-353.066	
Adjustment of tax for previous years.....	3.152	0	
Adjustment of deferred tax.....	4.000	-159.000	
Adjustm. of deferred tax due to change in tax rate.....	82.000	117.000	
	89.152	-395.066	
Intangible assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 July 2023.....	21.460.256	1.932.750	
Additions.....	0	2.102.838	
Cost at 30 June 2024.....	21.460.256	4.035.588	
Amortisation at 1 July 2023.....	15.803.349	0	
Impairment losses.....	150.222	0	
Amortisation for the year.....	1.711.542	0	
Amortisation at 30 June 2024.....	17.665.113	0	
Carrying amount at 30 June 2024.....	3.795.143	4.035.588	
Development projects completed			
Contains development of 2solve trouble-shooting suite, SiteConfiguration, ServiceClassifier, 5G evolution and ECO-RAN project. The carrying amount is 3.795 TDKK by 30th of June 2024. The activities are depreciated over 5 years. Management has identified indications of impairment for one development project. The impairment losses for the year 2023/24 is 150 TDKK. Management has not identified further indications of impairment other than the mentioned above in relation to the carrying amount.			
Development projects in progress and prepayments			
Contains development of the project GreenSite and ECO-RAN Flex. The carrying amount is 4.036 TDKK by 30th of June 2024. Management has not identified an indication of impairment for Development projects in progress and prepayments.			

NOTES

				Note
Long-term liabilities				4
	30/6 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2023 total liabilities
Debt instruments.....	504.750	403.800	0	908.550
	504.750	403.800	0	908.550

Charges and securities

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2Operate A/S has provided as collateral for the fulfilment of the debt instruments of DKK 505 thousand by 30 June 2024 their right to development projects, other rights, and receivables from sales.
As collateral for balances with bank, 2Operate A/S has issued a floating charge of DKK 2.000 thousand.

ACCOUNTING POLICIES

The Annual Report of 2operate A/S for 2023/24 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.

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.

2Operate's revenue includes sales of software solutions delivered to the customer as software-as-a-service (SaaS) with configuration and customization, as well as maintenance, operation and support. Where a sales agreement covers several supply obligations, the total sales value of the sales agreement shall be allocated proportionately to the contract's individual delivery obligations. Where the contract cannot be divided into separate supply obligations, the entire contract shall be recognised on a straight-line basis over the contract period. The recognised revenue is measured on the basis of the remuneration to which 2Operate A/S expects to be entitled in a contract with a customer.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Own Work

Work performed on own account and risk and recognised as assets includes staff costs regarding work performed in the financial year in relation to the construction of one or more assets recognised in the balance sheet.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

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.

ACCOUNTING POLICIES

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.

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.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

ACCOUNTING POLICIES

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.

Equity

Reserve for development costs

Reserve for development costs comprise recognised development costs after tax, which are capitalised as intangible assets. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

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

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to external lenders are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value

Accruals, liabilities

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