

The Board of Directors and Managing Director of IOPSYS Software Solutions AB hereby present the following annual report for the 2021 financial year.

## **Report from the Management**

### **Information about the business**

The Company is based in Stockholm and develops and sells IOWRT, an open-source-based operating system for equipment for the digital home.

### **Significant events during the financial year**

The Company experienced significant organisational and business development during the year, primarily through the acquisition of Seliro AB. There has been a major focus during the year on integrating Seliro's operations into IOPSYS. The integration of Seliro will result in a significant increase in human resources and the addition of the Maestro and Ensemble software products to the IOPSYS product portfolio. The Company's net sales fell during the year from SEK 47.8 million in 2020 to SEK 44.9 million in 2021, corresponding to a decline of 6%. Operationally, work has continued on the further development of IOWRT and efforts to gain additional customers.

### **Significant events after the end of the financial year**

Russia's invasion of Ukraine in February 2022 may have some impact on the Company's operations, as a minor part of the Company's development work has taken place in St. Petersburg since 2021. The impact of this is limited, however, and the Company expects to overcome the resulting potential problems that have arisen.

### **Expected future developments and significant risks and uncertainties**

The Company expects to achieve sales growth in 2022 and is working in a structured manner to continue developing the IOWRT software and to further develop the organisation within the product area as well as in sales and marketing.

With a structured and process-driven approach, the risks associated with development are considered to be limited. Major focus areas for 2022 are delivering to existing customers and gaining new customers, thereby driving growth for the Company.

### **Research and development**

The Company is actively developing the IOWRT software and will make significant investments in research and development relating to IOWRT during 2022.

### **Warrant programme 2021**

On 9 March 2021, the Board of Directors resolved to issue a maximum of 7,000 warrants, subject to the subsequent approval of the Annual General Meeting. The Annual General Meeting resolved to approve this issue on 12 March 2021. The subscription right for the warrants accrued to current and future senior executives, key personnel and employees of the Company and the Group, whereby individual subscribers are entitled to subscribe for a maximum of 790 warrants each. An agreement between the shareholders provides the basis for the deviation from the shareholders' preferential rights. The warrants have been assigned at fair value according to a valuation by Grant Thornton. Each warrant provides the right to subscribe for one new share in the Company at a subscription price of SEK 5,000 per share.

The warrants may be exercised at the earlier of the following dates:

- 1) the date on which notice has been sent to the option holder that a sale of all or substantially all of the shares in the Company has taken place or is expected to take place according to the principal owner of the Company; or
- 2) 30 June 2024.

In the event that all subscribed warrants are exercised, the number of shares in the Company will increase by 7,000 and the share capital by SEK 7,000. If all the warrants issued are exercised, this will result in dilution of approximately 10% of the share capital and the votes in the Company relative to the number of shares after the offer is made.

## Ownership

The Company is 80% owned by Inteno Group AB, org. no. 559058-0634, which has its registered office in Stockholm and prepares consolidated financial statements. The remaining 20% of the Company's shares are owned by M2J AB as a minority shareholder.

## Multi-year overview (SEK

thousand)	2021	2020	2019	2017/18 (15 months)	2017 (7 months)
Net sales	44,893	47,761	16,707	9,317	0
Total assets	297,906	74,818	61,431	50,040	50
Equity ratio (%)	29.8	44.1	41.8	78.4	100.0
Return on equity (%)	neg	29.9	neg	neg	0.0
Return on total capital (%)	neg	17.0	neg	neg	0.0

## Recommended appropriation of profit

The Board of Directors recommends that the available profit (SEK):

retained earnings	35,354,817
loss for the year	-4,140,122
	<b>31,214,695</b>

be appropriated so that  
the following is carried forward 31,214,695

The Company's financial results and position in general are presented in the following income statement and balance sheet and associated notes.

<b>Income statement</b>	<b>Note</b>	<b>01.01.2021 –31.12.2021</b>	<b>01.01.2020 –31.12.2020</b>
Net sales		44,892,886	47,761,259
Capitalised work on own account		32,485,906	25,934,935
Other operating income		909,558	232,961
		<b>78,288,350</b>	<b>73,929,155</b>
<b>Operating expenses</b>			
Commodities		-205	0
Other external costs	2	-30,140,198	-26,365,030
Personnel costs	3	-25,399,369	-17,933,854
Depreciation and impairment of tangible and intangible fixed assets		-23,255,941	-15,968,076
Other operating expenses		-478,629	-942,213
		<b>-79,274,342</b>	<b>-61,209,173</b>
<b>Operating profit/loss</b>		<b>-985,992</b>	<b>12,719,982</b>
<b>Profit/loss from financial items</b>			
Interest income and other similar income statement items	4	139,379	0
Interest expenses and other similar income statement items	5	-3,698,536	-2,850,622
		<b>-3,559,157</b>	<b>-2,850,622</b>
<b>Profit/loss after financial items</b>		<b>-4,545,149</b>	<b>9,869,360</b>
<b>Profit/loss before tax</b>		<b>-4,545,149</b>	<b>9,869,360</b>
Tax on profit/loss for the year		405,027	-2,549,289
<b>Profit/loss for the year</b>		<b>-4,140,122</b>	<b>7,320,071</b>

<b>Balance sheet</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalised expenses for development, etc.	6	98,234,433	57,499,920
Concessions, patents, licences, trademarks and similar rights	7	36,447,508	39,200
Goodwill	8	12,131,776	0
		<b>146,813,717</b>	<b>57,539,120</b>
<i>Tangible fixed assets</i>			
Equipment, tools and installations	9	2,511,908	896,868
		<b>2,511,908</b>	<b>896,868</b>
<i>Financial fixed assets</i>			
Participations in group companies	10, 11	123,200,000	0
Deferred tax receivables		2,622,546	2,217,519
	12	<b>125,822,546</b>	<b>2,217,519</b>
<b>Total fixed assets</b>		<b>275,148,171</b>	<b>60,653,507</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable		12,185,523	12,473,213
Receivables from group companies		7,629,316	398,440
Current tax assets		249,414	122,298
Other receivables		1,529	930,639
Prepaid expenses and accrued income	13	1,119,439	239,600
		<b>21,185,221</b>	<b>14,164,190</b>
<i>Cash and bank deposits</i>		1,572,166	0
<b>Total current assets</b>		<b>22,757,387</b>	<b>14,164,190</b>
<b>TOTAL ASSETS</b>		<b>297,905,558</b>	<b>74,817,697</b>

<b>Balance sheet</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		62,500	50,000
Fund for development expenses		55,804,558	35,898,862
		<b>55,867,058</b>	<b>35,948,862</b>
<i>Unrestricted equity</i>			
Unrestricted share premium account		1,572,877	0
Retained earnings		35,354,817	-10,259,558
Profit/loss for the year		-4,140,122	7,320,071
		<b>32,787,572</b>	<b>-2,939,487</b>
<b>Total equity</b>		<b>88,654,630</b>	<b>33,009,375</b>
<b>Provisions</b>			
Other provisions	14	2,393,033	0
<b>Total provisions</b>		<b>2,393,033</b>	<b>0</b>
<b>Non-current liabilities</b>			
Other liabilities	15	28,744,862	26,131,695
<b>Total non-current liabilities</b>		<b>28,744,862</b>	<b>26,131,695</b>
<b>Current liabilities</b>			
Overdraft facility	16	18,664,659	2,226,766
Accounts payable		2,306,609	2,228,117
Debts to group companies		141,059,349	5,423,223
Current tax liabilities		182,821	115,254
Other liabilities		3,663,986	1,321,289
Accrued expenses and prepaid income	17	12,235,609	4,361,978
<b>Total current liabilities</b>		<b>178,113,033</b>	<b>15,676,627</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>297,905,558</b>	<b>74,817,697</b>

## Statement of changes in equity

	Share capital	Fund for development expenses	Retained earnings	Profit/loss for the year	Total equity
<b>Equity brought forward as at 1 January 2021</b>	<b>50,000</b>	<b>35,898,862</b>	<b>-10,259,557</b>	<b>7,320,071</b>	<b>33,009,376</b>
New subscription	12,500				12,500
Apr. of previous earnings			7,320,071	-7,320,071	0
Shareholder contribution			58,200,000		58,200,000
Fund for development expenses		32,485,905	-32,485,905		0
Less depreciation		-12,580,209	12,580,209		0
Share premium reserve			1,572,877		1,572,877
Rounding			-1		-1
Profit/loss for the year				-4,140,122	-4,140,122
<b>Equity carried forward as at 31 December 2021</b>	<b>62,500</b>	<b>55,804,558</b>	<b>36,927,694</b>	<b>-4,140,122</b>	<b>88,654,630</b>

## Notes

### Note 1 Accounting and valuation policies

#### General information

The annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1.

The accounting policies are unchanged compared with the previous year.

#### Foreign currencies

Receivables and liabilities in foreign currencies are valued at the closing day rate. Exchange gains and losses on operating receivables and operating liabilities are recognised under operating income, while exchange gains and losses on financial receivables and liabilities are recognised as financial items.

#### Income recognition

Income is recognised at the fair value of what is received or will be received and is recognised insofar as it is probable that the economic benefits will accrue to the Company and the income can be calculated reliably.

#### Fixed assets

Tangible and intangible fixed assets are recognised at cost less accumulated scheduled depreciation and amortisation and any write-downs and impairment.

Expenses relating to development projects are capitalised by the Company as intangible assets insofar as the expenses are expected to generate future economic benefits. Depreciation and amortisation commence in the year in which the investments are made. Development costs are written off on a straight-line basis over five years from the date on which the income is expected to be received.

Capitalised work on own account is recognised under the fund for development expenses in equity and reduces retained earnings. This fund is gradually dissolved as capitalised development expenses are written off.

Concessions, patents, licences, trademarks and similar rights, as well as goodwill, are written off over ten years.

#### Financial instruments

Financial instruments are valued at cost. Instruments are recognised on the balance sheet when the Company becomes party to the contractual terms of the instrument. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Company has transferred almost all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

#### *Accounts receivable/current receivables*

Accounts receivable and current receivables are recognised as current assets at the amount that is expected to be received after a deduction for individually assessed bad debts.

#### *Loan liabilities and accounts payable*

Loan liabilities and accounts payable are initially recognised at cost less transaction costs. If the recognised amount differs from the amount which must be repaid at maturity, the difference is accrued as an interest expense over the term of the loan using the instrument's effective interest rate. Upon maturity, the recognised amount will then correspond to the amount that is to be repaid.

All financial instruments are valued and recognised at fair value in accordance with the rules of Chapter 12 of BFNAR 2012:1 (K3).

### **Leases**

The Company recognises all leases as operating leases, whether they are finance leases or operating leases. Operating leases are recognised as an expense on a straight-line basis over the term of the lease.

### **Income taxes**

Total tax comprises current tax and deferred tax. Taxes are recognised in the income statement, except where the underlying transaction is recognised directly against equity, in which case the associated tax effects are recognised under equity.

#### ***Current tax***

Current tax means income tax for the current financial year and the component of previous financial years' income tax which has not yet been recognised. Current tax is calculated on the basis of the tax rate applicable as of the closing date.

#### ***Deferred tax***

Deferred tax is income tax relating to future financial years as a result of past events. Recognition takes place according to the balance sheet method. According to this method, deferred tax liabilities and deferred tax assets are recognised as temporary differences that arise between the book value and fiscal value for assets and liabilities and for other fiscal deductions or deficits.

Deferred tax assets are only recognised net against deferred tax liabilities if they can be paid as a net amount. Deferred tax is calculated using the applicable tax rate as at the closing date. The effects of changes in current tax rates are recognised in the period during which the change is enacted. Deferred tax assets are recognised as a financial fixed asset and deferred tax liabilities as a provision.

Deferred tax assets relating to loss carry forwards or other future tax deductions are recognised insofar as it is probable that the deduction can be offset against future tax surpluses.

Due to the link between recognition and taxation, deferred tax liabilities that are attributable to untaxed reserves are not recognised separately.

### **Employee remuneration**

Employee remuneration refers to all forms of remuneration that the employees receive from the Company. Short-term remunerations include wages, paid holiday, paid absence, bonuses and remuneration after the end of employment (pensions). Short-term remunerations are recognised as a cost and a liability when there is a legal or constructive obligation to pay remuneration as a result of a previous event and the amount can be estimated reliably.

### **Definitions of key performance indicators**

Net sales

Primary operating income, invoiced costs, incidental revenue and revenue adjustments.

Equity ratio (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of total assets.

Return on equity (%)

Profit after financial items as a percentage of adjusted equity (equity and untaxed reserves less deferred

tax).

Return on total capital (%)

Operating profit plus financial income as a percentage of total assets.

### Estimates and assessments

The preparation of financial statements and the application of accounting policies are often based on the management's assessments, estimates and assumptions which are considered to be reasonable at the time the assessment is made. Estimates and assessments are based on historical experience and a number of other factors which are considered to be reasonable under the prevailing circumstances. The results of these are used to assess the recognised values of assets and liabilities which are otherwise not clear from other sources. The actual outcome may deviate from these estimates and assessments. Estimates and assumptions are reviewed regularly.

Software development is generally a complex, high-risk business and many projects never lead to a product being launched on the market. Product development costs are capitalised when the project appears likely to be successful. The timing of capitalisation is deemed to fall when the Company deems that the product can be completed and is sellable so as to provide future economic benefits.

### Note 2 Auditors' fees

Audit assignment refers to the examination of the annual accounts and accounting, as well as the administration of the Board of Directors and the Managing Director, other duties that it is incumbent upon the Company's auditor to perform, and advice or other assistance arising from observations made during such examination or the performance of such other duties.

	2021	2020
<b>PwC</b>		
Audit assignment	45,000	42,500
Audit activities in addition to the audit assignment	20,000	4,000
	<b>65,000</b>	<b>46,500</b>

### Note 3 Employees and personnel costs

	2021	2020
<b>Average number of employees</b>		
Women	7	3
Men	29	14
	<b>36</b>	<b>17</b>
Salaries and remuneration	16,717,639	12,333,442
Pension costs	2,102,621	1,303,534
	<b>18,820,260</b>	<b>13,636,976</b>
<b>Social security expenses</b>		
Other social security expenses	5,996,046	3,873,554
	<b>5,996,046</b>	<b>3,873,554</b>

<b>Total salaries, remunerations, social security expenses and pension costs</b>	<b>24,816,306</b>	<b>17,510,530</b>
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**Note 4 Other interest income and other similar income statement items**

	<b>2021</b>	<b>2020</b>
Interest income from group companies	139,379	0
	<b>139,379</b>	<b>0</b>

**Note 5 Interest expenses and other similar income statement items**

	<b>2021</b>	<b>2020</b>
Interest expenses to group companies	257,427	177,912
Other interest expenses	3,381,279	2,470,448
Exchange differences	59,830	
	<b>3,698,536</b>	<b>2,648,360</b>

**Note 6 Capitalised expenses for development, etc.**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Opening cost	91,472,079	65,624,144
Purchases	15,845,063	17,044,613
Reclassifications		-84,000
Capitalised work on own account for the year	16,640,843	8,887,322
Transfer of assets and liabilities	30,291,382	
<b>Closing accumulated cost</b>	<b>154,249,367</b>	<b>91,472,079</b>
Opening depreciation	-33,972,159	-18,358,122
Reclassifications		44,800
Depreciation for the year	-22,042,773	-15,658,837
<b>Closing accumulated depreciation</b>	<b>-56,014,932</b>	<b>-33,972,159</b>
<b>Closing carrying amount</b>	<b>98,234,435</b>	<b>57,499,920</b>

**Note 7 Concessions, patents, licences, trademarks and similar rights**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Opening cost	84,000	84,000
Transfer of assets and liabilities Seliro	37,041,914	
<b>Closing accumulated cost</b>	<b>37,125,914</b>	<b>84,000</b>
Opening depreciation	-44,800	-28,000
Depreciation for the year	-633,608	-16,800
<b>Closing accumulated depreciation</b>	<b>-678,408</b>	<b>-44,800</b>
<b>Closing carrying amount</b>	<b>36,447,506</b>	<b>39,200</b>

**Note 8 Goodwill**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Opening cost	0	0
Purchases	12,359,552	
<b>Closing accumulated cost</b>	<b>12,359,552</b>	<b>0</b>
Opening depreciation	0	0
Depreciation for the year	-227,776	
<b>Closing accumulated depreciation</b>	<b>-227,776</b>	<b>0</b>
<b>Closing carrying amount</b>	<b>12,131,776</b>	<b>0</b>

**Note 9 Equipment, tools and installations**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Opening cost	1,231,780	800,981
Purchases	1,412,853	430,799
Sales/disposals	-30,466	
Transfer of assets and liabilities	588,500	
<b>Closing accumulated cost</b>	<b>3,202,667</b>	<b>1,231,780</b>
Opening depreciation	-334,912	-25,673
Sales/disposals	4,062	
Depreciation for the year	-359,910	-309,239
<b>Closing accumulated depreciation</b>	<b>-690,760</b>	<b>-334,912</b>
<b>Closing carrying amount</b>	<b>2,511,907</b>	<b>896,868</b>

**Note 10 Participations in group companies**

Acquired 100% of the shares in Seliro AB on 10 June 2021

	31.12.2021	31.12.2020
Purchases	123,200,000	0
<b>Closing accumulated cost</b>	<b>123,200,000</b>	<b>0</b>
<b>Closing carrying amount</b>	<b>123,200,000</b>	<b>0</b>

**Note 11 Specification of participations in group companies**

Name	Book value
Seliro AB 556537-5812	123,200,000
	<b>123,200,000</b>

**Note 12 Deferred tax receivables**

	31.12.2021	31.12.2020
Booked tax receivable	2,622,546	2,217,519
	<b>2,622,546</b>	<b>2,217,519</b>

**Note 13 Prepaid expenses and accrued income**

	31.12.2021	31.12.2020
Prepaid rental expenses	766,650	
Prepaid insurance expenses	79,697	102,175
Other prepaid expenses	273,092	137,425
	<b>1,119,439</b>	<b>239,600</b>

**Note 14 Other provisions**

	31.12.2021	31.12.2020
Provision for onerous contract for Kista office	2,393,033	0
	<b>2,393,033</b>	<b>0</b>

**Note 15 Non-current liabilities**

	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Due for payment between one and five years after the closing date</b>		
Shareholder loans	28,744,862	26,131,695
	<b>28,744,862</b>	<b>26,131,695</b>

**Note 16 Overdraft facility**

	<b>31.12.2021</b>	<b>31.12.2020</b>
The approved overdraft facility amounts to	30,000,000	10,000,000
Utilised credit amounts to	18,664,659	2,226,766

**Note 17 Accrued expenses and prepaid income**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Accrued staff-related costs	6,523,504	2,919,745
Other accrued costs	374,963	1,442,231
Accrued rental costs	495,733	
Prepaid income	4,693,908	
Accrued audit expense	147,500	
	<b>12,235,608</b>	<b>4,361,976</b>

## **Note 18 Information about the parent company**

The parent company of the largest group in which the Company forms a part and which prepares consolidated financial statements is Inteno Group AB, organisation number 559058-0634, based in Stockholm, Sweden.

Stockholm

Daniel Winberg  
Chair

Conny Franzén

Henrik Vilselius

Mikael Strand

Johnny Sommarlund

Johan Fredriksson

Joakim Bennerholt  
Managing Director

Our audit report has been submitted

PricewaterhouseCoopers AB

Tobias Strähle  
Authorised Public Accountant