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2BM 

2BM A/S

Livjærgade 17
2100 København Ø
CVR No. 25627261

Annual report 2022

The Annual General Meeting adopted the
annual report on 25.04.2023

Lars Bork Dylander

Chairman of the General Meeting

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Entity details

Entity

2BM A/S

Livjærgade 17

2100 København Ø

Business Registration No.: 25627261

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Khalil Hodaibi, Chairman

Lars Bork Dylander

Vincent Louise J Simioni

Executive Board

Lars Bork Dylander, CEO

Flemming Frost, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of 2BM A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 25.04.2023

Executive Board

Lars Bork Dylander
CEO

Flemming Frost
director

Board of Directors

Khalil Hodaibi
Chairman

Lars Bork Dylander

Vincent Louise J Simioni

Independent auditor's report

To the shareholders of 2BM A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of 2BM A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Copenhagen, 25.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Hartmann Olesen

State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000
Key figures		
Revenue	155,716	111,379
Gross profit/loss	97,511	74,893
Operating profit/loss	11,241	9,557
Net financials	(498)	(442)
EBITDA	15,906	12,777
Profit/loss for the year	7,642	7,228
Balance sheet total	51,885	50,470
Investments in property, plant and equipment	225	638
Equity	19,164	16,522
Cash flows from operating activities	11,212	8,702
Cash flows from investing activities	(2,896)	(13,638)
Cash flows from financing activities	(6,072)	6,626
Ratios		
Gross margin (%)	62.62	67.24
Net margin (%)	4.91	6.49

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Primary activities

The primary activities of 2BM a/s are to offer Danish companies consultancy services, licenses and highly qualified SAP consultants within SAP ERP, SAP HR, and Enterprise Mobility.

In recent years, 2BM a/s has consolidated its position as one of the largest suppliers of SAP specialist services in the Nordic countries. This position has been made possible by acquiring Vision Management A/S (2021) and by in 2022 becoming a member of the large European SOA People Group. In addition, 2BM a/s sells, maintains, and supports the third-party products SpinifexIT, Org. Publisher, and RecRight.

2BM is a SAP Value Added Reseller (SAP VAR Partner) in Denmark. Also, 2BM is certified by SAP as a Partner Center of Expertise (PCoE). This certification covers our processes and systems and is a SAP seal of approval that enables 2BM to deliver SAP Enterprise and SAP Standard maintenance support for SAP solutions in the future.

Being a member of the SOA People Group, 2BM is also among 800 European SAP consultants. The breadth and depth of SOA People's SAP cloud capacity, along with its SAP-integrated software solutions and Pan-European reach, will provide our customers with a wider range of services and innovative products. Our primarily Nordics-based customers will benefit from one SAP specialist organization with an exceptional level of expertise and customer focus.

Member of the United VARs alliance

2BM a/s is a member of the global United VARs alliance that is represented in 90 countries and has 10,000 SAP specialist consultants who ensure the best service and support for international roll-out projects, ERP optimization projects, and nearshoring and offshoring capacity.

Together with United VARs, 2BM a/s has a Platinum Partner status at SAP, which the highest status possible.

Development in activities and finances

The 2BM software organization has implemented large contracts in 2022, which are also considered in the expectations for 2023.

Financing and investment

Substantial investments were made in the financial year. The capital requirement was covered by equity, earnings, and external financing. Investments were centered around the software development of 2BM's four core products, all within Field Service & Maintenance.

The software components include:

- 2BM Mobile Work Order
- 2BM Mobile Warehouse
- 2BM Predictive Maintenance
- 2BM SMS Software

Profit/loss for the year in relation to expected developments

Group: Revenue for the year amounted to DKK 155.7 million against DKK 110,1 million last year. The after-tax profit for the year amounted to DKK 7.6 million compared to DKK 7.3 million last year

Parent: Revenue for the year amounts to DKK 124.3 million against DKK 96.8 million last year. Net profit stands at DKK 8.2 million compared to DKK 7.2 million last year. The development should be compared with 2BM in its 2021 annual report expecting 12% growth in 2022.

Consequently, Management considers this year's performance satisfactory.

Uncertainty relating to recognition and measurement

No uncertainty relating to this matter has been recognized.

Outlook

A 15% increase in 2BM a/s' revenue is expected for 2023 because of focused growth initiatives and a clear strategy for 2023.

Add to this the continued market positioning of 2BM a/s as one of the largest consulting businesses in the Nordics with specialist knowledge of SAP ERP and SAP HCM and Enterprise Mobility solutions that will contribute further to continued growth. Also, the S/4HANA transformation is expected to increase the demand for digital transformation among existing and new customers.

Continued growth is expected of our support center on third-level support to our Application Management customers.

2BM expects to maintain a strong liquidity position in 2023.

Particular risks

The main operating risks of 2BM a/s are linked to its ability to be strongly positioned in the Danish SAP market where the majority of deliveries take place and the solutions are sold today. In addition, it is essential for 2BM a/s to remain at the forefront of technological developments in most of its business segments.

Financial risks

2BM a/s is not significantly exposed to changes in exchange rates and interest rate levels because of its mainly domestic operations and moderate internationalization. 2BM policy is not to engage in active speculation in financial risks. In this way, the financial management of 2BM a/s is solely directed at managing the financial risks already undertaken.

Currency risks

The foreign business of 2BM a/s increased during 2022 but remains a small portion of the total business volume, and it is not directly affected by exchange rate fluctuations. The largest foreign market is through 2BM's subsidiary, 2BM Software a/s.

Interest rate risks

The net interest-bearing debt of 2BM a/s only comprises bank financing. Since it is limited, the interest rate risk is not hedged

Credit risks

The credit risks of 2BM a/s are primarily related to outstanding balances with debtors. The maximum credit risk related to financial assets at the balance sheet date is consistent with the amounts recognized in the balance sheet.

2BM a/s is not exposed to material risks related to a single customer or business partner. However, the policy of 2BM a/s on the incurrence of credit risks implies that all major customers and other business partners are subject to ongoing credit rating.

Knowledge resources

The ambition of being a market leader and at the cutting edge of technological developments entails that 2BM a/s is characterized by a dynamic and rapidly changing knowledge environment, placing heavy demands on the Company, especially when it comes to acquiring and conveying new knowledge, making it difficult to standardize solutions and products efficiently.

2BM still wants to strengthen its domain knowledge in the following areas, in which the Company already has a strong position:

- SAP ERP/HCM
- Field Service & Maintenance
- Digitization & Industry 4.0

Research and development activities

2BM a/s did not incur any development costs in 2022. All development activities take place in the subsidiary 2BM Software a/s.

- In **2BM Software**, the development activities relate to our third-party software to SAP.
- **Mobile Predictive Maintenance** is an innovative machine learning module in our existing product and approved by Innovation Fund Denmark, which also supports the project financially.

The costs have been capitalized in the financial statements to a limited extent. Still, as a significant increase in value and customer intake occurs, they will be considered part of the Company's intangible assets.

The systems are expected to be continuously upgraded and will continue to be marketed and sold in Denmark and abroad in 2023. The new systems still look very promising and are expected to lead to significant business opportunities in the years ahead, thus resulting in increased activity levels.

Statutory report on corporate social responsibility

2BM works actively with CSR and will increase its focus on several different areas in 2023. The UN Global Compact and the 17 UN Sustainable Development Goals are incorporated into the 2BM way of working. Overall, these areas are:

- Demand compliance with human rights and labor rights from suppliers
- Work with suppliers to improve social and environmental conditions
- Work systematically with environmental and climate management
- Work to improve staff conditions and working environment internally in the Company

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.

Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue		155,716	111,379
Own work capitalised		2,607	3,000
Other operating income		225	0
Other external expenses		(61,037)	(39,486)
Gross profit/loss		97,511	74,893
Staff costs	1	(81,605)	(62,116)
Depreciation, amortisation and impairment losses		(4,665)	(3,220)
Operating profit/loss		11,241	9,557
Other financial income		202	104
Other financial expenses		(700)	(546)
Profit/loss before tax		10,743	9,115
Tax on profit/loss for the year	2	(3,101)	(1,887)
Profit/loss for the year	3	7,642	7,228

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	5	5,367	5,273
Acquired intangible assets		0	400
Acquired rights		0	0
Goodwill		8,469	9,894
Intangible assets	4	13,836	15,567
Other fixtures and fittings, tools and equipment		407	514
Leasehold improvements		73	75
Property, plant and equipment	6	480	589
Deposits		371	292
Financial assets	7	371	292
Fixed assets		14,687	16,448
Trade receivables		29,766	28,090
Contract work in progress		1,008	1,219
Receivables from group enterprises		646	0
Other receivables		468	1,438
Tax receivable		0	16
Joint taxation contribution receivable		0	932
Receivables from owners and management		0	116
Prepayments	8	1,376	521
Receivables		33,264	32,332
Cash		3,934	1,690
Current assets		37,198	34,022
Assets		51,885	50,470

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital	9	500	500
Reserves for loans and collateral		0	116
Retained earnings		18,664	10,906
Proposed dividend for the financial year		0	5,000
Equity		19,164	16,522
Deferred tax	10	827	892
Other provisions	11	860	880
Provisions		1,687	1,772
Bank loans		3,117	4,055
Other payables		4,810	4,810
Non-current liabilities other than provisions	12	7,927	8,865
Current portion of non-current liabilities other than provisions	12	1,188	1,188
Bank loans		0	8
Trade payables		5,727	4,530
Tax payable		1,710	1,850
Joint taxation contribution payable		0	364
Other payables		11,759	11,508
Deferred income	13	2,723	3,863
Current liabilities other than provisions		23,107	23,311
Liabilities other than provisions		31,034	32,176
Equity and liabilities		51,885	50,470
Unrecognised rental and lease commitments	15		
Assets charged and collateral	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Reserves for loans and collateral DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Total DKK'000
Equity beginning of year	500	116	10,906	5,000	16,522
Ordinary dividend paid	0	0	0	(5,000)	(5,000)
Dissolution of reserves	0	(116)	116	0	0
Profit/loss for the year	0	0	7,642	0	7,642
Equity end of year	500	0	18,664	0	19,164

Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		11,241	9,557
Amortisation, depreciation and impairment losses		4,665	3,220
Working capital changes	14	(1,696)	(3,150)
Cash flow from ordinary operating activities		14,210	9,627
Financial income received		202	104
Financial expenses paid		(700)	(546)
Taxes refunded/(paid)		(2,500)	(483)
Cash flows from operating activities		11,212	8,702
Acquisition etc. of intangible assets		(2,601)	(3,000)
Acquisition of fixed asset investments		(216)	(638)
Acquisition of enterprises		0	(10,000)
Deposits		(79)	0
Cash flows from investing activities		(2,896)	(13,638)
Free cash flows generated from operations and investments before financing		8,316	(4,936)
Loans raised		0	5,251
Dividend paid		(5,000)	(1,000)
Acquisition of treasury shares		116	(2,000)
Consolidated cash beginning of the year		0	7,002
Other long term debt		(1,188)	(127)
Other acquisition payments		0	(2,500)
Cash flows from financing activities		(6,072)	6,626
Increase/decrease in cash and cash equivalents		2,244	1,690
Cash and cash equivalents beginning of year		1,690	0
Cash and cash equivalents end of year		3,934	1,690

Cash and cash equivalents at year-end are composed of:

Cash	3,934	1,690
Cash and cash equivalents end of year	3,934	1,690

Notes to consolidated financial statements

1 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	74,927	56,726
Pension costs	5,915	4,830
Other social security costs	497	308
Other staff costs	266	252
	81,605	62,116
Average number of full-time employees	80	69

	Remuneration of manage- ment 2022	Remuneration of manage- ment 2021
	DKK'000	DKK'000
Executive Board	2,900	2,400
Board of Directors	271	382
	3,171	2,782

2 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	3,212	1,740
Change in deferred tax	(111)	147
	3,101	1,887

3 Proposed distribution of profit/loss

	2022	2021
	DKK'000	DKK'000
Ordinary dividend for the financial year	0	5,000
Retained earnings	7,642	2,228
	7,642	7,228

4 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired rights DKK'000	Goodwill DKK'000
Cost beginning of year	12,540	4,775	1,150	16,250
Additions	2,601	0	0	0
Cost end of year	15,141	4,775	1,150	16,250
Amortisation and impairment losses beginning of year	(7,267)	(4,375)	(1,150)	(6,356)
Amortisation for the year	(2,507)	(400)	0	(1,425)
Amortisation and impairment losses end of year	(9,774)	(4,775)	(1,150)	(7,781)
Carrying amount end of year	5,367	0	0	8,469

5 Development projects

The entity develops software which supplements the entity's core business. The costs include internal development hours and are valued in relation to business cases for the software products and already sold products. An annual review is made of the valuation of development costs.

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	4,302	98
Additions	189	36
Cost end of year	4,491	134
Depreciation and impairment losses beginning of year	(3,788)	(23)
Depreciation for the year	(296)	(38)
Depreciation and impairment losses end of year	(4,084)	(61)
Carrying amount end of year	407	73

7 Financial assets

	Deposits DKK'000
Cost beginning of year	292
Additions	79
Cost end of year	371
Carrying amount end of year	371

8 Prepayments

Prepayments comprise incurred costs such as licenses and subscriptions relating to subsequent financial years. Prepayments are measured at cost.

9 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Share capital	5,000,000	0.10	500
	5,000,000		500

There have been no changes in the share capital during the past five years.

10 Deferred tax

Changes during the year	2022 DKK'000	2021 DKK'000
Beginning of year	892	745
Recognised in the income statement	(111)	147
Other adjustment	46	0
End of year	827	892

Deferred tax relates to intangible assets, property, plant and equipment, and other provisions.

11 Other provisions

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

12 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Bank loans	1,188	1,188	3,117	0
Other payables	0	0	4,810	4,810
	1,188	1,188	7,927	4,810

13 Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

14 Changes in working capital

	2022	2021
	DKK'000	DKK'000
Increase/decrease in inventories	(1,996)	(3,271)
Increase/decrease in receivables	300	121
	(1,696)	(3,150)

15 Unrecognised rental and lease commitments

	2022	2021
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	752	886

16 Assets charged and collateral

The Company's banks have accepted unsecured claims of no more than DKK 10,000 thousand as security for all outstanding account receivables which amounts to DKK 22.775 thousand as of 31 December.

17 Subsidiaries

	Registered in	Corporate form	Ownership %
2BM AB	Sweden	AB	100.00
2BM Software A/S	Denmark	A/S	100.00
Vision Management A/S	Denmark	A/S	100.00

Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue		124,111	96,839
Other external expenses		(43,838)	(32,250)
Gross profit/loss		80,273	64,589
Staff costs	1	(70,421)	(55,539)
Depreciation, amortisation and impairment losses		(331)	(283)
Operating profit/loss		9,521	8,767
Income from investments in group enterprises		939	644
Other financial income		68	83
Other financial expenses		(558)	(392)
Profit/loss before tax		9,970	9,102
Tax on profit/loss for the year	2	(2,328)	(1,874)
Profit/loss for the year	3	7,642	7,228

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Other fixtures and fittings, tools and equipment		407	512
Leasehold improvements		73	75
Property, plant and equipment	4	480	587
Investments in group enterprises		13,832	12,915
Deposits		370	292
Deferred tax	6	327	296
Financial assets	5	14,529	13,503
Fixed assets		15,009	14,090
Trade receivables		26,404	22,775
Contract work in progress		974	380
Receivables from group enterprises		4,468	5,426
Other receivables		342	280
Joint taxation contribution receivable		0	684
Receivables from owners and management		0	116
Prepayments	7	1,252	380
Receivables		33,440	30,041
Cash		1,867	1,259
Current assets		35,307	31,300
Assets		50,316	45,390

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		500	500
Reserves for loans and collateral		0	116
Retained earnings		18,664	10,906
Proposed dividend for the financial year		0	5,000
Equity		19,164	16,522
Other provisions	8	860	880
Provisions		860	880
Bank loans		3,117	4,055
Other payables		4,407	4,407
Non-current liabilities other than provisions	9	7,524	8,462
Current portion of non-current liabilities other than provisions	9	1,188	1,188
Trade payables		4,595	3,175
Payables to group enterprises		3,561	212
Tax payable		749	1,850
Joint taxation contribution payable		927	0
Other payables		10,048	10,091
Deferred income	10	1,700	3,010
Current liabilities other than provisions		22,768	19,526
Liabilities other than provisions		30,292	27,988
Equity and liabilities		50,316	45,390
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Reserves for loans and collateral DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	500	116	10,906	5,000	16,522
Ordinary dividend paid	0	0	0	(5,000)	(5,000)
Dissolution of reserves	0	(116)	116	0	0
Profit/loss for the year	0	0	7,642	0	7,642
Equity end of year	500	0	18,664	0	19,164

Notes to parent financial statements

1 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	64,816	50,780
Pension costs	5,192	4,317
Other social security costs	413	222
Other staff costs	0	220
	70,421	55,539
Average number of full-time employees	70	57

	Remuneration of Manage- ment 2022	Remuneration of Manage- ment 2021
	DKK'000	DKK'000
Executive Board	2,900	2,400
Board of Directors	271	382
	3,171	2,782

2 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	2,359	1,850
Change in deferred tax	(31)	24
	2,328	1,874

3 Proposed distribution of profit and loss

	2022	2021
	DKK'000	DKK'000
Ordinary dividend for the financial year	0	5,000
Retained earnings	7,642	2,228
	7,642	7,228

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	3,978	98
Additions	189	36
Cost end of year	4,167	134
Depreciation and impairment losses beginning of year	(3,466)	(23)
Depreciation for the year	(294)	(38)
Depreciation and impairment losses end of year	(3,760)	(61)
Carrying amount end of year	407	73

5 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	14,842	292	296
Additions	0	78	31
Cost end of year	14,842	370	327
Impairment losses beginning of year	(1,927)	0	0
Exchange rate adjustments	(22)	0	0
Amortisation of goodwill	(1,425)	0	0
Share of profit/loss for the year	2,364	0	0
Impairment losses end of year	(1,010)	0	0
Carrying amount end of year	13,832	370	327

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

6 Deferred tax

	2022 DKK'000	2021 DKK'000
Changes during the year		
Beginning of year	296	320
Recognised in the income statement	31	(24)
Other adjustment	(1)	0
End of year	326	296

Deferred tax relates to intangible assets, property, plant and equipment, and other provisions.

Deferred tax assets

Recognition of deferred tax assets are based on future expected taxable income.

7 Prepayments

Prepayments comprise incurred costs such as licenses and subscriptions relating to subsequent financial years. Prepayments are measured at cost.

8 Other provisions

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

9 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Bank loans	1,188	1,188	3,117	0
Other payables	0	0	4,407	4,407
	1,188	1,188	7,524	4,407

10 Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

11 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	752	886

12 Contingent liabilities

The Company serves as the administration company with effect from 16.09.2022 in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

13 Assets charged and collateral

The Company's bankers have accepted unsecured claims of no more than DKK 10,000 thousand as security for all outstanding account receivables which amounts to DKK 26,404 thousand as of 31 December.

The Company's owners have limitedly guaranteed part of the Company's bank debt.

14 Related parties with controlling interest

SOA People Group S.à.r.l. owns 51% shares in the Entity, thus exercising control.

15 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of consultancy services and services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Revenue from the sale of licences, installation of such licences, support agreements, etc is recognised upon delivery.

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).

Own work capitalised

Own work capitalised comprises staff costs in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

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

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 comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

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 intra-group profits or losses.

Other financial income

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

Other financial expenses

Other financial expenses comprise interest expenses as well as 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

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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 on 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 which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

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 or minus unamortised positive or negative goodwill and plus or minus unrealised intra-group profits or losses.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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.

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 under 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.

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.

Joint taxation contributions payable or receivable

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Other payables included as none-current liabilities comprises long term vacation pay liability.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash short term bank loans.