



2BM Software A/S

Livjærgade 17
2100 København Ø
CVR No. 37583790

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 Software A/S

Livjærgade 17

2100 København Ø

Business Registration No.: 37583790

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

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 2BM Software 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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

Martin Gert Pock
CEO

Board of Directors

Khalil Hodaibi
Chairman

Lars Bork Dylander

Vincent Louise J Simioni

Independent auditor's report

To the shareholder of 2BM Software A/S

Opinion

We have audited the financial statements of 2BM Software 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. 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 31.12.2022 and of the results of its operations 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 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.

Copenhagen, 25.04.2023

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 2BM Software 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 2022, the Mobile Predictive Maintenance solution was further developed for the 2BM Mobile Word Order suite. The solution is an innovative machine learning module and platform for the app, approved by Innovation Fund Denmark, which also supports the project financially. The solution also uses the Asset Connector and Supervisor Dashboard, thus increasing the value for the customers. In addition, the Checklist Manager & Checklist Module solutions were further developed and put into operation with existing customers. All solutions are unique compared to those of competitors and help improve the Company's value proposition to customers and partners.

Investments continued in 2022 in generating sale, marketing and delivery of the 2BM software through partners. Through the 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

2022 produced a net loss of DKK 858 thousand against last year's net profit of DKK 340 thousand. The development should be compared with 2BM Software a/s in its 2021 annual report expecting improved performance and increased volume. The increase in volume has been achieved, but investments in product development have also increased.

Software solutions for a global business market require continued investment, efforts and marketing.

Management considers this year's performance satisfactory.

The Company expects 2023 to perform at a similar level – however, with an increased volume and with an increasing number of employees to sell and develop the software solutions.

Outlook

Increased activity and revenue are expected in 2023 because of 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.

2BM Software a/s expects to continue to have a strong liquidity position in 2023, and the level of investment is expected to increase compared to previous years.

Research and development activities

2BM Software a/s incurred development costs in 2022, all relating to the further development of the Company's software components.

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. A moderate amount of DKK 2.6 million was capitalized in 2022, and 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 they will continue to be marketed and sold in Denmark and abroad through partners in 2023.

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

Events after the balance sheet date

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

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		10,658	8,698
Staff costs	1	(8,736)	(5,816)
Depreciation, amortisation and impairment losses		(2,907)	(2,573)
Operating profit/loss		(985)	309
Other financial income		36	13
Other financial expenses		(28)	(137)
Profit/loss before tax		(977)	185
Tax on profit/loss for the year	2	119	155
Profit/loss for the year		(858)	340
Proposed distribution of profit and loss			
Retained earnings		(858)	340
Proposed distribution of profit and loss		(858)	340

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	4	5,367	5,273
Acquired intangible assets		0	400
Intangible assets	3	5,367	5,673
Fixed assets		5,367	5,673
Trade receivables		939	2,294
Contract work in progress		34	839
Receivables from group enterprises		1,018	0
Other receivables		133	661
Joint taxation contribution receivable		223	248
Prepayments		65	28
Receivables		2,412	4,070
Cash		1,317	188
Current assets		3,729	4,258
Assets		9,096	9,931

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		510	510
Reserve for development expenditure		4,187	4,113
Retained earnings		(4,188)	(3,256)
Equity		509	1,367
Deferred tax		1,153	1,247
Provisions		1,153	1,247
Other payables		403	403
Non-current liabilities other than provisions	5	403	403
Trade payables		342	287
Payables to group enterprises		4,468	5,348
Joint taxation contribution payable		199	0
Other payables		1,078	615
Deferred income		944	664
Current liabilities other than provisions		7,031	6,914
Liabilities other than provisions		7,434	7,317
Equity and liabilities		9,096	9,931
Contingent liabilities	6		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	510	4,113	(3,256)	1,367
Transfer to reserves	0	74	(74)	0
Profit/loss for the year	0	0	(858)	(858)
Equity end of year	510	4,187	(4,188)	509

Notes

1 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	7,843	5,244
Pension costs	555	472
Other social security costs	78	69
Other staff costs	260	31
	8,736	5,816
Average number of full-time employees	9	6

2 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	198	0
Change in deferred tax	(94)	93
Refund in joint taxation arrangement	(223)	(248)
	(119)	(155)

3 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000
Cost beginning of year	10,442	4,775
Additions	2,601	0
Cost end of year	13,043	4,775
Amortisation and impairment losses beginning of year	(5,169)	(4,375)
Amortisation for the year	(2,507)	(400)
Amortisation and impairment losses end of year	(7,676)	(4,775)
Carrying amount end of year	5,367	0

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 products. 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 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Other payables	403	403
	403	403

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which 2bm A/S with effect from 16.09.2022 serves as new administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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).

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 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.

Prepayments

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

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.

Deferred income

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