
Boyum IT Solutions A/S

Sintrupvej 71B, 1. th, DK-8220 Aarhus

Annual Report for 2022

CVR No. 37 86 88 09

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 22/3 2023

Niels Poulsen Stenfeldt
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Management's Review	
Company information	5
Group Chart	6
Financial Highlights	7
Management's review	8
Financial Statements	
Income statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	13
Cash Flow Statement 1 January - 31 December	14
Notes to the Financial Statements	15

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Boyum IT Solutions A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Aarhus, 22 March 2023

Executive Board

Mikael Boyum
Manager

Board of Directors

Niels Poulsen Stenfeldt
Chairman

Mikael Boyum

Marco Sodi

Jörg Bernhard Klasmeyer

Independent Auditor's report

To the shareholder of Boyum IT Solutions A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Boyum IT Solutions A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group's and the Parent Company'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 Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the 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.

Independent Auditor's report

Aarhus C, 22 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Christian Roding
State Authorised Public Accountant
mne33714

Martin Stenstrup Toft
State Authorised Public Accountant
mne42786

Company information

The Company	Boyum IT Solutions A/S Sintrupvej 71B, 1. th DK-8220 Aarhus CVR No: 37 86 88 09 Financial period: 1 January - 31 December Incorporated: 1 June 2016 Financial year: 7th financial year Municipality of reg. office: Aarhus
Board of Directors	Niels Poulsen Stenfeldt, chairman Mikael Boyum Marco Sodi Jörg Bernhard Klasmeyer
Executive board	Mikael Boyum
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Boyum IT Solutions A/S	Denmark	
Boyum IT Inc.	United States of America	100%
beas Group AG	Switzerland	100%
Boyum IT Solutions Germany GmbH	Germany	100%
Boyum IT Solutions Spain S.L.	Spain	100%
Boyum IT Solutions Co., Ltd.	China	100%
Boyum IT Solutions BV	Belgium	100%
Boyum IT Solutions Hungary Kft.	Hungary	100%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	140,993	132,980	113,797	106,579	89,395
EBITDA	57,850	53,901	40,636	30,001	16,611
Profit/loss of ordinary primary operations	39,276	35,341	20,488	9,751	7,690
Profit/loss of financial income and expenses	-2,763	-159	-3,350	-2,203	-1,930
Net profit/loss	24,840	23,763	9,538	2,822	-5,420
Balance sheet					
Balance sheet total	108,604	104,673	92,889	119,098	134,238
Investment in property, plant and equipment	305	-898	-490	-656	-628
Equity	94,220	67,313	41,785	48,962	46,989
Cash flows					
Cash flows from:					
- operating activities	32,791	47,805	33,183	16,104	6,882
- investing activities	-1,054	-1,017	-113	-666	-54,616
- financing activities	-48,280	-17,028	-38,335	-10,658	52,586
Number of employees	81	81	80	97	85
Ratios					
Gross margin	86.3%	86.3%	80.7%	73.4%	66.0%
Profit margin	27.9%	26.6%	18.0%	9.1%	-0.6%
Return on assets	36.2%	33.8%	22.1%	8.2%	-0.4%
Solvency ratio	86.8%	64.3%	45.0%	41.1%	35.0%
Return on equity	30.8%	43.6%	21.0%	5.9%	-11.0%

* Boyum IT Solutions A/S took over Produmex BVBA an Produmex Americas Inc. at 1 May 2018, from where full consolidation has been performed.

Management's review

Key activities

Boyum IT Solutions' ambition is to be the leading SSP in SAP's ecosystem and help our customers with the best software to solve real business problems in their industry. Our main activities are concentrated around development and sales of business-critical software solutions based on the ERP-platform SAP Business One.

Today, the Group offers different software solutions incl. horizontal, manufacturing, and warehouse management solutions. In total, the Group has more than 240,000 daily users of its software solutions, distributed across more than 10,250 installations.

The Group's development projects include the development of add-on modules for SAP Business One. The modules partly allow the users of SAP Business One to customize a large part of the user interface without the use of developers, while there are also modules aimed at production and logistics companies. The production and inventory management modules create management opportunities across all processes, where the production model is targeted at 14 specific industries, while the inventory management modules have a broader focus.

B1 Usability Package: A software solution which gives daily users a unique possibility to customize SAP Business One to their specific needs, without the need for software developers.

Beas Manufacturing: A software solution to manage complex processes in manufacturing businesses across 14 different industries.

Produmex WMS: A software solution to ensure high-quality and efficient warehouse and inventory management which is crucial in many industries and a requirement in certain regulated industries.

Boyum IT Solutions sells its software solutions through more than 650 partners in 120 countries. The Group benefits from a strong brand within the global SAP Business One partner network.

Knowledge resources

The Group's area of business places high requirements on the knowledge resources of its employees. The Group's strategy is to ensure a high level of knowledge by continuously ensuring the right combination of employees and making available and implementing the right tools for effective knowledge sharing.

Attraction of new and general retention of existing employee is a high priority for management.

Over the years, we have worked determinedly on creating a Nordic company culture based on a holistic understanding of our employees' desire for "Work-life Balance". This has resulted in a cultural vision that we call "Energy for LIFE" which requires us to continuously support our employees' mental and physical well-being.

Group structure

The company was founded in June 2016 in connection with a de-merger of the original Boyum IT into different business units. Subsequently, a capital increase was effectuated whereby the first PE fund became shareholders. At the end of 2020 the former shareholders and PE fund made an exit and a new PE fund stepped in as a new majority owner.

As of 1 September 2016, the Swiss company beas Beteiligungen AG and its subsidiaries were acquired. The Group continuously monitors the development in the market and follows a strategy focused on offering a broad portfolio of business-critical software solutions in the partner channel. Aligned with this strategy, the Group acquired the Belgian company Produmex BVBA and its subsidiaries as of 1 May 2018.

Today, the Group structure is as shown on the page 6.

Management's review

In general, our employees have again put in a great and dedicated effort in 2022 and we are generally happy that new people join the company. In 2022 we had the certification "Healthy place to work" The certification is about creating and sustaining a healthy and effective organization and is one of our main objectives at Boyum IT and employee well-being is a top priority. Understanding the health of our company and driving the right initiatives to ensure physical and mental well-being requires a strategic approach and is why we chose to be part of the Healthy Place to Work program. With this certification, Boyum IT just before summer 2022 became the first company to receive this certification in Denmark with an 82% health score against the 70% minimum requirement for being certified. And with a response rate of 92%, it shows that there is great engagement in this.

As of ultimo 2022, the Group employed 81 employees across more than 10 countries. Employees are primarily based in Denmark, Germany, Belgium, Hungary, Spain, China, and the US.

Development in the year

In 2022, the Group's entities have increased its revenue by MDKK 8.0, corresponding to a 6% growth in a very difficult and competitive market. 2022 was affected by the current war in Ukraine, which had a big impact on the market situation. A big part of the EMEA region had an immediate reaction and the investment in new ERP stopped in Q2 2022. The markets outside EMEA did not have the same challenges and we have seen high growth in LATAM and APJ.

For Boyum IT Solutions it is a key focus area to continue to work diligently towards creating a strong platform for future growth with point of departure in the software product portfolio that we have built up through historical acquisitions. With the acquisition of Produmex in 2018, the Group is in a very strong position and has become the world's largest provider of "Supply Chain Management" solutions for SAP Business One, and the Group continues to focus on solidifying and strengthening this position by being able to offer more solutions within "Supply Chain Management". Boyum IT Solutions is always looking into the market for products that can strengthen our position in the market.

In 2022, the focus on a strong organization and diligent management of operations has resulted in an EBITDA more than 10% above budget. Management is very satisfied with the result.

In 2022, EBITDA was MDKK 57.8 and the Group's results before taxes is a profit of MDKK 36.5.

Targets and expectations for the year ahead

Management entered 2023 with an expectation of small growth in the SAP Business One market which is in line with the strategy. Boyum IT Solutions will enter into the Microsoft BC market with new products in 2023 and continue on making the products ERP-independent. This will expand the addressable market dramatically and be the driver of a significant two-digit revenue growth based on the development from 2023.

It is expected that the good growth in 2023 will be supported by additional investments in the organization in order to continue the development of the Group's products as well as the development of new software solutions. There is a continued large demand for this type of products and management expects that organic growth must be supported by acquisitions of new, complimentary products, which are well-positioned in the market.

Similarly, we see an increasingly larger demand for cloud products and, consequently, a large part of new product development will focus on this area.

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue		140,993	132,980	114,887	101,551
Other operating income		0	73	12,039	10,463
Expenses for raw materials and consumables		-397	-1,981	-37,886	-31,786
Other external expenses		-18,978	-16,345	-27,236	-24,498
Gross profit		121,618	114,727	61,804	55,730
Staff expenses	1	-63,768	-60,826	-25,794	-22,354
Earnings Before Interest Taxes Depreciation and Amortization		57,850	53,901	36,010	33,376
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-18,574	-18,487	-508	-396
Profit/loss before financial income and expenses		39,276	35,414	35,502	32,980
Income from investments in subsidiaries		0	0	-2,387	-2,039
Financial income		937	3,107	937	1,545
Financial expenses	2	-3,700	-3,266	-1,205	-1,284
Profit/loss before tax		36,513	35,255	32,847	31,202
Tax on profit/loss for the year	3	-11,673	-11,492	-8,007	-7,439
Net profit/loss for the year	4	24,840	23,763	24,840	23,763

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Completed development projects		24,092	41,862	0	0
Acquired licenses		734	68	1,773	65
Intangible assets	5	24,826	41,930	1,773	65
Other fixtures and fittings, tools and equipment		807	1,140	453	694
Property, plant and equipment	6	807	1,140	453	694
Investments in subsidiaries	7	0	0	101,754	100,880
Deposits	8	780	772	490	341
Fixed asset investments		780	772	102,244	101,221
Fixed assets		26,413	43,842	104,470	101,980
Trade receivables		13,425	7,031	8,831	5,585
Receivables from group enterprises		31,546	310	32,014	7,938
Other receivables		946	907	946	907
Deferred tax asset	9	114	105	114	99
Prepayments	10	782	557	782	557
Receivables		46,813	8,910	42,687	15,086
Current asset investment		7	7	0	0
Cash at bank and in hand		35,371	51,914	4,433	7,084
Current assets		82,191	60,831	47,120	22,170
Assets		108,604	104,673	151,590	124,150

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital		998	998	998	998
Reserve for exchange rate conversion		4,572	2,505	0	0
Retained earnings		78,650	63,810	83,222	66,315
Proposed dividend for the year		10,000	0	10,000	0
Equity		94,220	67,313	94,220	67,313
Trade payables		1,777	1,655	1,252	989
Payables to group enterprises		0	17,056	49,202	46,098
Corporation tax		948	8,195	959	5,198
Other payables		11,659	10,454	5,957	4,552
Short-term debt		14,384	37,360	57,370	56,837
Debt		14,384	37,360	57,370	56,837
Liabilities and equity		108,604	104,673	151,590	124,150
Contingent assets, liabilities and other financial obligations	13				
Related parties	14				
Subsequent events	15				
Accounting Policies	16				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	998	2,505	63,810	0	67,313
Exchange adjustments relating to foreign entities	0	2,067	0	0	2,067
Net profit/loss for the year	0	0	14,840	10,000	24,840
Equity at 31 December	998	4,572	78,650	10,000	94,220

Parent company

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	998	66,315	0	67,313
Exchange adjustments relating to foreign entities	0	2,067	0	2,067
Net profit/loss for the year	0	14,840	10,000	24,840
Equity at 31 December	998	83,222	10,000	94,220

Cash flow statement 1 January - 31 December

	Note	Group	
		2022	2021
		TDKK	TDKK
Result of the year		24,840	23,763
Adjustments	11	34,966	32,259
Change in working capital	12	-5,323	-2,862
Cash flow from operations before financial items		54,483	53,160
Financial income		937	3,107
Financial expenses		-3,700	-3,266
Cash flows from ordinary activities		51,720	53,001
Corporation tax paid		-18,929	-5,196
Cash flows from operating activities		32,791	47,805
Purchase of intangible assets		-744	-51
Purchase of property, plant and equipment		-305	-898
Fixed asset investments made etc		-8	-272
Sale of property, plant and equipment		3	204
Cash flows from investing activities		-1,054	-1,017
Repayment of payables to group enterprises		-48,280	-16,564
Other equity entries		0	-464
Cash flows from financing activities		-48,280	-17,028
Change in cash and cash equivalents		-16,543	29,760
Cash and cash equivalents at 1 January		51,921	22,161
Cash and cash equivalents at 31 December		35,378	51,921
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		35,371	51,914
Current asset investments		7	7
Cash and cash equivalents at 31 December		35,378	51,921

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	61,598	58,964	23,624	20,492
Pensions	1,838	1,502	1,838	1,502
Other social security expenses	228	192	228	192
Other staff expenses	104	168	104	168
	63,768	60,826	25,794	22,354
Including remuneration to the Executive Board and Board of Directors	3,201	2,911	3,201	2,911
Average number of employees	81	81	27	22

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Financial expenses				
Interest paid to group enterprises	0	0	415	769
Other financial expenses	3,468	3,266	558	515
Exchange loss	232	0	232	0
	3,700	3,266	1,205	1,284

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3. Income tax expense				
Current tax for the year	11,693	11,292	8,033	7,239
Deferred tax for the year	-9	67	-15	67
Adjustment of tax concerning previous years	-11	104	-11	104
	11,673	11,463	8,007	7,410
thus distributed:				
Income tax expense	11,673	11,492	8,007	7,439
Tax on equity movements	0	-29	0	-29
	11,673	11,463	8,007	7,410

	Parent company	
	2022	2021
	TDKK	TDKK
4. Profit allocation		
Proposed dividend for the year	10,000	0
Retained earnings	14,840	23,763
	24,840	23,763

Notes to the Financial Statements

5. Intangible fixed assets

Group

	Completed development projects	Acquired licenses
	TDKK	TDKK
Cost at 1 January	133,273	493
Exchange adjustment	605	17
Additions for the year	0	744
Cost at 31 December	<u>133,878</u>	<u>1,254</u>
Impairment losses and amortisation at 1 January	91,411	425
Exchange adjustment	491	23
Amortisation for the year	17,884	72
Impairment losses and amortisation at 31 December	<u>109,786</u>	<u>520</u>
Carrying amount at 31 December	<u>24,092</u>	<u>734</u>

Development projects include the development of add-on modules for SAP Business One. The modules partly allow the users of SAP Business One to customize a large part of the user interface without the use of developers, while there are also modules aimed at production and logistics companies. The production and inventory management modules create management opportunities across all processes, where the production model is targeted at 14 specific industries, while the inventory management modules have a broader focus. Intangible assets also contains positive differences arising on initial measurement of subsidiaries at net asset value. The company's investment in the subsidiaries is considered to be of strategic importance to the group. Taking the Group's expected plans for increasing activities and earnings into account, the useful life of goodwill recognised on initial measurement of business acquisitions is considered to be 7-15 years.

Parent company

	Completed development projects	Acquired licenses
	TDKK	TDKK
Cost at 1 January	7,945	185
Additions for the year	0	1,831
Cost at 31 December	<u>7,945</u>	<u>2,016</u>
Impairment losses and amortisation at 1 January	7,945	120
Amortisation for the year	0	123
Impairment losses and amortisation at 31 December	<u>7,945</u>	<u>243</u>
Carrying amount at 31 December	<u>0</u>	<u>1,773</u>

Notes to the Financial Statements

6. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	3,613
Exchange adjustment	-27
Additions for the year	305
Disposals for the year	-75
Cost at 31 December	<u>3,816</u>
Impairment losses and depreciation at 1 January	2,473
Exchange adjustment	-9
Depreciation for the year	617
Reversal of impairment and depreciation of sold assets	-72
Impairment losses and depreciation at 31 December	<u>3,009</u>
Carrying amount at 31 December	<u>807</u>

Parent company

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	1,447
Additions for the year	145
Cost at 31 December	<u>1,592</u>
Impairment losses and depreciation at 1 January	753
Depreciation for the year	386
Impairment losses and depreciation at 31 December	<u>1,139</u>
Carrying amount at 31 December	<u>453</u>

Notes to the Financial Statements

	<u>Parent company</u>	
	2022	2021
	TDKK	TDKK
7. Investments in subsidiaries		
Cost at 1 January	136,680	136,618
Additions for the year	1,613	62
Cost at 31 December	<u>138,293</u>	<u>136,680</u>
Value adjustments at 1 January	-39,046	-38,787
Exchange adjustment	2,067	2,229
Net profit/loss for the year	14,856	15,088
Other equity movements, net	0	-449
Amortisation of goodwill	-17,243	-17,127
Value adjustments at 31 December	<u>-39,366</u>	<u>-39,046</u>
Equity investments with negative net asset value amortised over receivables	<u>2,827</u>	<u>3,246</u>
Carrying amount at 31 December	<u>101,754</u>	<u>100,880</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>120,571</u>	<u>120,571</u>
Remaining positive difference included in the above carrying amount at 31 December	<u>23,439</u>	<u>40,574</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Boyum IT Inc.	United States of America	100%
beas Group AG	Switzerland	100%
Boyum IT Solutions Germany GmbH	Germany	100%
Boyum IT Solutions Spain S.L.	Spain	100%
Boyum IT Solutions Co., Ltd.	China	100%
Boyum IT Solutions BV	Belgium	100%
Boyum IT Solutions Hungary Kft.	Hungary	100%

Notes to the Financial Statements

8. Other fixed asset investments

Group

	Deposits TDKK
Cost at 1 January	772
Additions for the year	8
Cost at 31 December	<u>780</u>
Carrying amount at 31 December	<u>780</u>

Parent company

	Deposits TDKK
Cost at 1 January	341
Additions for the year	149
Cost at 31 December	<u>490</u>
Carrying amount at 31 December	<u>490</u>

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

9. Deferred tax asset

Deferred tax asset at 1 January	105	172	99	166
Amounts recognised in the income statement for the year	9	-67	15	-67
Deferred tax asset at 31 December	<u>114</u>	<u>105</u>	<u>114</u>	<u>99</u>

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Group	
2022	2021
TDKK	TDKK

11. Cash flow statement - Adjustments

Financial income	-937	-3,107
Financial expenses	3,700	3,266
Depreciation, amortisation and impairment losses, including losses and gains on sales	18,574	18,488
Tax on profit/loss for the year	11,673	11,492
Exchange adjustments	1,956	2,120
	<u>34,966</u>	<u>32,259</u>

Group	
2022	2021
TDKK	TDKK

12. Cash flow statement - Change in working capital

Change in receivables	-6,455	860
Change in trade payables, etc	1,132	-3,722
	<u>-5,323</u>	<u>-2,862</u>

Group		Parent company	
2022	2021	2022	2021
TDKK	TDKK	TDKK	TDKK

13. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

The Group has entered into leasing agreements with a non-cancellability of up to 38 months. The total lease obligation during the non-cancellation period amounts	1,650	3,416	332	605
The annual lease obligation amounts	1,231	2,062	281	281
	<u>2,881</u>	<u>5,478</u>	<u>613</u>	<u>886</u>

Notes to the Financial Statements

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Fox TopCo ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Boyum IT Solutions A/S has submitted a statement of support to Boyum IT Solutions BV and Boyum IT Solutions Hungary Kft. until the general meeting for the approval of the annual report for 2023.

As security for engagement with Nordea, surety guarantees have been provided by the Group's subsidiaries.

14. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Volpi Capital II Link Lux S.à.r.l. Luxembourg	Ultimate shareholder of Fox TopCo ApS
Fox TopCo ApS Denmark	Majority shareholder of Boyum IT Solutions Group ApS
Boyum IT Solutions Group ApS Denmark	Majority shareholder of Boyum IT Solutions A/S

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the Group Annual Report of

<u>Name</u>	<u>Place of registered office</u>
Fox TopCo ApS	Aarhus, Denmark

15. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

16. Accounting policies

The Annual Report of Boyum IT Solutions A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Boyum IT Solutions A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses furthermore include payments of consultants.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Fox TopCo ApS and Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5-7 year.

Other intangible fixed assets

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life years. Software licences are amortised over the period of the agreements, which is 3-5 years.

Notes to the Financial Statements

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-7 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Notes to the Financial Statements

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$