Boyum IT Solutions A/S

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

Annual Report for 2023

CVR No. 37 86 88 09

The Annual Report was presented and adopted at the Annual General Meeting of the company on 14/3 2024

Marco Sodi
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Boyum IT Solutions A/S for the financial year 1 January - 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 14 March 2024

Executive Board

Mikael Boyum
CEO

Board of Directors

Marco Sodi Chairman	Mikael Boyum	Fernando Cobo Piekenbrock

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 2023 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 2023 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 2023, 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, 14 March 2024

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: 8th financial year
	Municipality of reg. office: Aarhus
Board of Directors	Marco Sodi, chairman Mikael Boyum Fernando Cobo Piekenbrock
Executive Board	Mikael Boyum
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Group Chart

Company	Residence	Ownership
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%
Boyum IT Solutions AAL A/S	Denmark	100%
Perfion Ltd	United Kingdom	100%
Perfion Inc (dormant)	United States of America	100%

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	180,843	140,992	132,980	113,797	106,579
EBITDA	64,785	57,850	53,901	40,636	30,001
Profit/loss of primary operations	36,780	39,276	35,341	20,488	9,751
Profit/loss of financial income and expenses	-3,393	-2,763	-159	-3,350	-2,203
Net profit/loss for the year	17,455	24,840	23,763	9,538	2,822
Balance sheet					
Balance sheet total	305,775	108,604	104,673	92,889	119,098
Investment in property, plant and equipment	228	305	-898	-490	-656
Equity	190,661	94,220	67,313	41,785	48,962
Cash flows					
Cash flows from:					
- operating activities	55,000	32,791	47,805	33,183	16,104
- investing activities	-144,963	-1,054	-1,017	-113	-666
- financing activities	75,108	-48,280	-17,028	-38,335	-10,658
Number of employees	103	81	81	80	97
Ratios					
Gross margin	85.1%	86.3%	86.3%	80.7%	73.4%
Profit margin	20.3%	27.9%	26.6%	18.0%	9.1%
Return on assets	12.0%	36.2%	33.8%	22.1%	8.2%
Solvency ratio	62.4%	86.8%	64.3%	45.0%	41.1%
Return on equity	12.3%	30.8%	43.6%	21.0%	5.9%

Management's review

Key activities

Boyum IT Solutions is currently the leading SSP globally in the SAP Business One ecosystem and is strategically diversifying into the Microsoft Dynamics365 Business Central ecosystem. Boyum IT's strategic ambition is to remain the leading SSP in SAP Business One and achieve a top 10 ISV status within the BC ecosystem. Accordingly, our main activities are concentrated around the development and sales of business-critical software solutions that solve impactful problems for SMEs globally.

Today, the Group offers software solutions across the entire Product Value Chain, incl. vertical manufacturing and warehouse management solutions, cloud manufacturing solutions, intelligent document processing solutions, and Product Information Management (PIM) solutions. In total, the Group has more than 300,000 daily users of its software, distributed across more than 11,500 installations globally. Today, Boyum IT Solutions sells its software solutions through a global partner network of more than 700 partners in more than 130 countries, benefiting from a strong brand within the SAP Business One ecosystem.

The Group's development projects include refining, improving, and integrating our add-on solutions for SAP Business One, as well as developing new solutions for and integrating existing solutions with Microsoft BC. Our solutions enable customers to add value to their entire product lifecycle process, from initial product creation to final product release to the market, with relevance for a wide variety of manufacturing, production, and logistics customers and relevant industries.

Continuing our strategic efforts from 2022, a significant focus for 2023 was to strengthen our position in the Microsoft BC ecosystem. In this regard, product development focused on creating integrations between our Cloud Manufacturing applications and Business Central, while our commercial efforts focused on corporate positioning via close collaborations directly with Microsoft and high-level sponsorships at Microsoft Directions in NA, EMEA, and APJ, as well as focusing on the recruitment of BC partners. In addition to this, the Group completed the strategic acquisition of Perfion A/S, which not only added PIM as a strategically important component to the Group's product portfolio, but also accelerated positioning and growth in the BC market.

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.

The attraction of new and 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. In 2023, for a second consecutive year, the Group was awarded the "Healthy Place to Work" certificate which is a testament to our consistent work on making our company culture thrive and contribute positively to the well-being of our employees. 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.

Management's review

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.

In general, our employees have again put in a great and dedicated effort in 2023 and we are generally happy that new people join the company. As of ultimo 2023, the Group employed 103 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 2023, the Group have increased its revenue by MDKK 40.0, corresponding to a 28% growth in a very difficult and competitive market. The acquisition of Perfion have affected revenue positive by MDKK 25. 2023 was affected by uncertainty in the market with increasing interests, 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 slowed down in Q2 2023 but with a great pickup in Q4 2023. The markets outside EMEA did not have the same challenges and we have seen fine growth in Americas.

It is a key focus area to continue the work on creating a strong platform for future growth with basis in the software product portfolio that has been built over organically and via acquisitions. With the Beas and Produmex acquisitions in 2016 and 2018, respectively, the Group achieved a very strong position as the world's largest supply chain management ISV for SAP Business One.

With more recent acquisitions such as Perfion (2023), the Group is progressing on its growth plans, expanding this strategic market position to become an ERP independent product value chain vendor, solidifying the position in SAP Business One and making an impactful entry in Microsoft Business Central. Boyum IT Solutions will continue to look for products in the market that can further strengthen this position.

In 2023, the focus on a strong organization and diligent management of operations has resulted in an EBITDA more than 5% above budget. Management is very satisfied with the result.

In 2023, EBITDA was MDKK 64.8 and the Group's results before taxes is a profit of MDKK 36.8.

Targets and expectations for the year ahead

Management entered 2024 with an expectation of small growth in the SAP Business One market which is in line with the strategy. Boyum IT Solutions entered the Microsoft BC market with new products in 2023 and will continue 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. Thus revenue is expected in the range of MDKK 215-225 and EBITDA in the range of MDKK 72-82.

It is expected that growth in 2024 will to be supported by additional investments in the organization to continue the development of the Group's products as well as the development of new software solutions. There is 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.

Income statement 1 January - 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Revenue		180,843	140,993	124,161	114,892
Other operating income		0	0	12,681	12,038
Expenses for raw materials and consumables		-3,455	-397	-36,613	-37,886
Other external expenses		-23,494	-18,978	-26,414	-27,240
Gross profit		**153,894**	**121,618**	**73,815**	**61,804**
Staff expenses	1	-89,109	-63,768	-31,963	-25,794
Earnings Before Interest Taxes Depreciation and Amortization		**64,785**	**57,850**	**41,852**	**36,010**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-28,005	-18,574	-664	-508
Profit/loss before financial income and expenses		**36,780**	**39,276**	**41,188**	**35,502**
Income from investments in subsidiaries		0	0	-12,829	-2,387
Financial income		745	937	492	937
Financial expenses	2	-4,138	-3,700	-1,897	-1,205
Profit/loss before tax		**33,387**	**36,513**	**26,954**	**32,847**
Tax on profit/loss for the year	3	-15,932	-11,673	-9,499	-8,007
Net profit/loss for the year	4	**17,455**	**24,840**	**17,455**	**24,840**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		65,057	24,092	0	0
Acquired licenses		693	734	1,541	1,773
Acquired trademarks		8,221	0	0	0
Goodwill		158,636	0	0	0
Intangible assets	5	**232,607**	**24,826**	**1,541**	**1,773**
Other fixtures and fittings, tools and equipment		768	807	129	453
Property, plant and equipment	6	**768**	**807**	**129**	**453**
Investments in subsidiaries	7	0	0	283,933	101,754
Deposits	8	1,955	780	815	490
Fixed asset investments		**1,955**	**780**	**284,748**	**102,244**
Fixed assets		**235,330**	**26,413**	**286,418**	**104,470**
Trade receivables		15,007	13,425	6,129	8,831
Receivables from group enterprises		32,460	31,546	35,785	32,014
Other receivables		568	946	559	946
Deferred tax asset	10	0	114	127	114
Prepayments	9	1,887	782	1,514	782
Receivables		**49,922**	**46,813**	**44,114**	**42,687**
Current asset investments		**7**	**7**	**0**	**0**
Cash at bank and in hand		**20,516**	**35,371**	**3,454**	**4,433**
Current assets		**70,445**	**82,191**	**47,568**	**47,120**
Assets		**305,775**	**108,604**	**333,986**	**151,590**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		1,000	998	1,000	998
Share premium account		0	0	0	0
Reserve for exchange rate conversion		7,525	4,572	0	0
Retained earnings		182,136	78,650	189,661	83,222
Proposed dividend for the year		0	10,000	0	10,000
Equity		**190,661**	**94,220**	**190,661**	**94,220**
Provision for deferred tax	10	11,927	0	0	0
Provisions		**11,927**	**0**	**0**	**0**
Other payables		14,873	0	14,873	0
Long-term debt	11	**14,873**	**0**	**14,873**	**0**
Trade payables		2,294	1,777	1,086	1,252
Payables to group enterprises		0	0	65,917	49,202
Corporation tax		12,173	948	9,437	959
Other payables	11	59,532	11,659	50,406	5,957
Deferred income	12	14,315	0	1,606	0
Short-term debt		**88,314**	**14,384**	**128,452**	**57,370**
Debt		**103,187**	**14,384**	**143,325**	**57,370**
Liabilities and equity		**305,775**	**108,604**	**333,986**	**151,590**
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Subsequent events	18				
Accounting Policies	19				

Statement of changes in equity

Group

	Share capital	Share premium account	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	998	0	4,572	78,650	10,000	94,220
Cash capital increase	2	86,031	0	0	0	86,033
Ordinary dividend paid	0	0	0	0	-10,000	-10,000
Exchange adjustments relating to foreign entities	0	0	2,953	0	0	2,953
Net profit/loss for the year	0	0	0	17,455	0	17,455
Transfer from share premium account	0	-86,031	0	86,031	0	0
Equity at 31 December	**1,000**	**0**	**7,525**	**182,136**	**0**	**190,661**

Parent company

	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	998	0	83,222	10,000	94,220
Cash capital increase	2	86,031	0	0	86,033
Ordinary dividend paid	0	0	0	-10,000	-10,000
Exchange adjustments relating to foreign entities	0	0	2,953	0	2,953
Net profit/loss for the year	0	0	17,455	0	17,455
Transfer from share premium account	0	-86,031	86,031	0	0
Equity at 31 December	**1,000**	**0**	**189,661**	**0**	**190,661**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		17,455	24,840
Adjustments	13	50,211	34,966
Change in working capital	14	-4,107	-5,323
Cash flow from operations before financial items		**63,559**	**54,483**
Financial income		745	937
Financial expenses		-4,138	-3,700
Cash flows from ordinary activities		**60,166**	**51,720**
Corporation tax paid		-5,166	-18,929
Cash flows from operating activities		**55,000**	**32,791**
Purchase of intangible assets		-108	-744
Purchase of property, plant and equipment		-228	-305
Fixed asset investments made etc		-740	-8
Sale of property, plant and equipment		0	3
Business acquisition	15	-143,887	0
Cash flows from investing activities		**-144,963**	**-1,054**
Repayment of payables to group enterprises		-925	-48,280
Cash capital increase		86,033	0
Dividend paid		-10,000	0
Cash flows from financing activities		**75,108**	**-48,280**
Change in cash and cash equivalents		**-14,855**	**-16,543**
Cash and cash equivalents at 1 January		35,378	51,921
Cash and cash equivalents at 31 December		**20,523**	**35,378**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		20,516	35,371
Current asset investments		7	7
Cash and cash equivalents at 31 December		**20,523**	**35,378**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	84,823	61,598	29,080	23,624
Pensions	3,079	1,838	2,427	1,838
Other social security expenses	615	228	278	228
Other staff expenses	592	104	178	104
	89,109	**63,768**	**31,963**	**25,794**
Including remuneration to the Executive Board and Board of Directors	**2,806**	**3,201**	**2,806**	**3,201**
Average number of employees	**103**	**81**	**34**	**27**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Financial expenses				
Interest paid to group enterprises	0	0	1,240	415
Other financial expenses	3,821	3,468	351	558
Exchange loss	317	232	306	232
	4,138	**3,700**	**1,897**	**1,205**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Income tax expense				
Current tax for the year	14,450	11,693	9,512	8,033
Deferred tax for the year	-458	-9	-13	-15
Adjustment of tax concerning previous years	1,940	-11	0	-11
	15,932	**11,673**	**9,499**	**8,007**

Notes to the Financial Statements

4. Profit allocation

	Parent company	
	2023	2022
	TDKK	TDKK
Proposed dividend for the year	0	10,000
Retained earnings	17,455	14,840
	17,455	**24,840**

5. Intangible fixed assets

	Group				Parent company	
	Completed develop-ment projects	Acquired licenses	Acquired trademarks	Goodwill	Completed develop-ment projects	Acquired licenses
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	133,878	1,254	0	0	7,945	2,016
Exchange adjustment	925	23	0	0	0	0
Net effect from merger and acquisition	73,302	0	9,086	166,014	0	0
Additions for the year	0	108	0	0	0	108
Cost at 31. December	208,105	1,385	9,086	166,014	7,945	2,124
Impairment losses and depreciation at 1. January	109,786	520	0	0	7,945	243
Exchange adjustment	870	23	0	0	0	0
Net effect from merger and acquisition	13,411	0	0	0	0	0
Depreciation for the year	18,981	149	865	7,378	0	340
Impairment losses and depreciation at 31. December	143,048	692	865	7,378	7,945	583
Carrying amount at 31. December	**65,057**	**693**	**8,221**	**158,636**	**0**	**1,541**

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.

Notes to the Financial Statements

6. Property, plant and equipment

	Group	Parent company
	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1. January	3,816	1,592
Exchange adjustment	18	0
Net effect from merger and acquisition	425	0
Additions for the year	228	0
Disposals for the year	-67	0
Cost at 31. December	4,420	1,592
Impairment losses and depreciation at 1. January	3,009	1,139
Exchange adjustment	2	0
Net effect from merger and acquisition	75	0
Depreciation for the year	632	324
Reversal of impairment and depreciation of sold assets	-66	0
Impairment losses and depreciation at 31. December	3,652	1,463
Carrying amount at 31. December	**768**	**129**

Notes to the Financial Statements

7. Investments in subsidiaries

	Parent company 2023 TDKK	Parent company 2022 TDKK
Cost at 1 January	138,293	136,680
Additions for the year	216,500	1,613
Cost at 31 December	354,793	138,293
Value adjustments at 1 January	-39,366	-39,046
Exchange adjustment	2,953	2,067
Net profit/loss for the year	10,285	14,856
Dividend to the Parent Company	-22,361	0
Amortisation of goodwill	-23,114	-17,243
Value adjustments at 31 December	-71,603	-39,366
Equity investments with negative net asset value amortised over receivables	743	2,827
Carrying amount at 31 December	**283,933**	**101,754**
Positive differences arising on initial measurement of subsidiaries at net asset value	324,197	120,571
Remaining positive difference included in the above carrying amount at	202,549	23,439

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%
Boyum IT Solutions AAL A/S	Denmark	100%
- Perfion Ltd.	United Kingdom	100%
Perfion Inc. (dormant)	United States of America	100%

Notes to the Financial Statements

8. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1. January	780	490
Net effect from merger and acquisition	435	0
Additions for the year	740	325
Cost at 31. December	1,955	815
Carrying amount at 31. December	**1,955**	**815**

9. Prepayments

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

10. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	-114	-105	-114	-99
Net effect from merger and acquisition	12,499	0	0	0
Amounts recognised in the income statement for the year	-458	-9	-13	-15
Deferred tax liabilities at 31 December	**11,927**	**-114**	**-127**	**-114**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

11. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023	2022	2023	2022
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	14,873	0	14,873	0
Long-term part	14,873	0	14,873	0
Other short-term payables	59,532	11,659	50,406	5,957
	74,405	**11,659**	**65,279**	**5,957**

12. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

13. Cash flow statement - Adjustments

	Group	
	2023	2022
	TDKK	TDKK
Financial income	-745	-937
Financial expenses	4,138	3,700
Depreciation, amortisation and impairment losses, including losses and gains on sales	28,005	18,574
Tax on profit/loss for the year	15,932	11,673
Exchange adjustments	2,881	1,956
	50,211	**34,966**

Notes to the Financial Statements

14. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in receivables	4,916	-6,455
Change in trade payables, etc	-9,023	1,132
	-4,107	**-5,323**

15. Cash flow statement - Business acquisition

	Group 2023	Group 2022
	TDKK	TDKK
Intangible assets	234,991	0
Tangible assets	351	0
Fixed asset investments	435	0
Receivables	7,768	0
Deferred tax	-12,498	0
Payables and other accruals	-5,933	0
Deferred income	-21,735	0
	203,379	0
Debt raised in connection with business acquisitions	-59,492	0
	143,887	**0**

16. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,797	1,231	1,753	281
Between 1 and 5 years	2,970	419	2,062	51
	6,767	**1,650**	**3,815**	**332**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

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 AAL A/S until the general meeting for the approval of the annual report for 2024.

17. Related parties and disclosure of consolidated financial statements

Controlling interest	Basis
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

Name	Place of registered office
Fox TopCo ApS	Aarhus, Denmark

Notes to the Financial Statements

18. Subsequent events

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of Boyum IT Solutions A/S for 2023 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 2023 are presented in TDKK.

Recognition and measurement

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.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Revenue

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 indirect production costs and 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.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

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

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

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 15 years, determined on the basis of Management's experience with the individual business areas.

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 5-15 year.

Other intangible fixed assets

Patents, licences and rights 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. Software licences and rights are amortised over the period of the agreements, which is 3-5 years and 7 years, respectively.

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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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 liabilities

Loans 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

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.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity