

Sandberg A/S

Bregnerødvej 133 D, 3460 Birkerød

CVR no. 14 56 95 96

Annual report 2020

Approved at the Company's annual general meeting on 15 April 2021

Chair of the meeting:

.....
Jan Holmetoft Iversen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sandberg A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Birkerød, 15 April 2021
Executive Board:

.....
Martin Frank Hollerup
CEO

Board of Directors:

.....
Erling Hoff Petersen
Chair

.....
Søren Drewsen

.....
Martin Frank Hollerup

.....
Jan Holmetoft Iversen

Independent auditor's report

To the shareholders of Sandberg A/S

Opinion

We have audited the financial statements of Sandberg A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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 Company's internal control.

Independent auditor's report

- ▶ 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 April 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised Public Accountant
mne33732

Filip Asmussen
State Authorised Public Accountant
mne45921

Management's review

Company details

Name	Sandberg A/S
Address, Postal code, City	Bregnerødvej 133 D, 3460 Birkerød
CVR no.	14 56 95 96
Established	1 July 1990
Registered office	Rudersdal
Financial year	1 January - 31 December
Website	www.sandberg.world
Telephone	+45 70 26 85 00
Board of Directors	Erling Hoff Petersen, Chairman Søren Drewsen Martin Frank Hollerup Jan Holmetoft Iversen
Executive Board	Martin Frank Hollerup, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

It is the objective of Sandberg A/S to develop, market and sell Information & Communications Technology accessories under the trademark Sandberg® which belongs to the company.

Financial review

The income statement for 2020 shows a profit of DKK 46,228 thousand against a profit of DKK 2,906 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 40,945 thousand. Management considers the Company's financial performance for the year satisfactory. The profit exceeds expectations for the year. COVID-19 has had a positive impact on sales for the year.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Gross profit	67,594	8,393
2	Staff costs	-9,435	-4,435
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-154	-141
	Profit before net financials	58,005	3,817
3	Financial income	1,334	6
4	Financial expenses	-72	-91
	Profit before tax	59,267	3,732
5	Tax for the year	-13,039	-826
	Profit for the year	46,228	2,906
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	28,000	2,900
	Extraordinary dividend distributed in the year	8,000	0
	Retained earnings	10,228	6
		46,228	2,906

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	243	208
		243	208
	Investments		
	Deposits	16	16
		16	16
	Total fixed assets	259	224
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	21,511	4,756
		21,511	4,756
	Trade receivables	26,033	2,945
	Receivables from group enterprises	37,677	1,097
	Deferred tax assets	102	78
6	Prepayments	9,171	2,475
		72,983	6,595
	Cash	95	9
	Total non-fixed assets	94,589	11,360
	TOTAL ASSETS	94,848	11,584

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	12,445	2,217
	Dividend proposed	28,000	2,900
	Total equity	40,945	5,617
	Provisions		
	Other provisions	1,500	0
	Total provisions	1,500	0
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	166	124
		166	124
	Current liabilities other than provisions		
	Bank debt	0	694
	Trade payables	17,079	2,365
	Payables to group enterprises	13,365	1,099
7	Other payables	21,793	1,685
		52,237	5,843
		52,403	5,967
	TOTAL EQUITY AND LIABILITIES	94,848	11,584

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2019	500	2,211	2,016	4,727
Transfer through appropriation of profit	0	6	2,900	2,906
Dividend distributed	0	0	-2,016	-2,016
Equity at 1 January 2020	500	2,217	2,900	5,617
Transfer through appropriation of profit	0	18,228	28,000	46,228
Dividend distributed	0	0	-2,900	-2,900
Proposed extraordinary dividend recognised under equity	0	-8,000	0	-8,000
Equity at 31 December 2020	500	12,445	28,000	40,945

The share capital consists of 500 shares at DKK 1,000. The shares have not been divided into classes. The share capital has remained unchanged for the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Sandberg A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

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

On initial recognition, assets and liabilities are measured at cost. Measurement of assets and liabilities after initial recognition is effected as described below for each item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement when earned. Furthermore, costs incurred to achieve earnings for the year are recognised in the income statement, including depreciation/amortisation, impairment losses and provisions as well as reversal of entries as a result of changed accounting estimates, which were formerly recognised in the income statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income

Financial income are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Inventories

Inventories are measured at cost in accordance with the FIFO method. When the net realisable value is lower than cost, inventories are written down to this lower value.

Cost of goods for resale, raw materials and consumables consist of purchase price plus landing costs.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to execute the sale and are determined in consideration of marketability, obsolescence and development of the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Joint taxation contributions payable or receivables are recognised in the balance sheet as amounts owed by or to affiliated companies.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
2 Staff costs		
Wages/ salaries	8,468	3,668
Pensions	428	217
Other social security costs	44	46
Other staff costs	495	504
	9,435	4,435

The Company has entered into an administration agreement with the Parent Company, EET Group A/S, which provides administrative services to the Company.

Pursuant to section 98b (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. No remuneration have been paid to the Board of Directors.

Average number of full-time employees	5	5
3 Financial income		
Other interest income	0	6
Exchange gain	1,334	0
	1,334	6
4 Financial expenses		
Interest expenses, group entities	10	19
Other interest expenses	65	68
Exchange losses	0	4
Other financial expenses	-3	0
	72	91
5 Tax for the year		
Estimated tax charge for the year	13,063	842
Deferred tax adjustments in the year	-24	-16
	13,039	826

6 Prepayments

Prepayments primarily comprise prepayments to suppliers of goods.

DKK'000	2020	2019
7 Other payables		
VAT and other indirect taxes	16,398	804
Wages/ salaries, salary taxes, social security contributions, etc.	4,991	466
Other accrued expenses	404	415
	21,793	1,685

Financial statements 1 January - 31 December

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease agreements (operational leasing) amount to approx. DKK 602 thousand (2019: DKK 876 thousand)

The Parent Company has an obligation in respect of the right to return goods sold to the Company's customers. At 31 December 2020, a provision of DKK 1,500 thousand was recognised in respect hereof.

The Company is jointly taxed with other Danish subsidiaries within the EET Group. The Company is jointly taxed. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase.

9 Collateral

Bank loans have been secured by way of floating charge of nom. DKK 2 million.

10 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
EET A/S	Bregnerødvej 133 D, 3460 Birkerød

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Meva ApS	H.J. Henriksens Vej 4, 3310 Ølsted
EET Group A/S	Bregnerødvej 133 D, 3460 Birkerød

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Jan Holmetoft Iversen

Chair of the meeting

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-811470781868

IP: 152.115.xxx.xxx

2021-04-15 12:53:44Z

NEM ID 

Jan Holmetoft Iversen

Board of Directors

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-811470781868

IP: 152.115.xxx.xxx

2021-04-15 12:53:44Z

NEM ID 

Søren Drewsen

Board of Directors

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-387626225784

IP: 152.115.xxx.xxx

2021-04-15 12:59:31Z

NEM ID 

Martin Frank Hollerup

CEO

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-533779679034

IP: 83.94.xxx.xxx

2021-04-15 14:01:59Z

NEM ID 

Martin Frank Hollerup

Board of Directors

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-533779679034

IP: 83.94.xxx.xxx

2021-04-15 14:01:59Z

NEM ID 

Erling Petersen

Chair

På vegne af: Sandberg A/S

Serienummer: PID:9208-2002-2-835469331733

IP: 91.198.xxx.xxx

2021-04-16 07:13:46Z

NEM ID 

Ole Becker

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:65669285

IP: 91.100.xxx.xxx

2021-04-16 08:20:39Z

NEM ID 

Filip Asmussen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:26348584

IP: 145.62.xxx.xxx

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