

Stanley Security Denmark ApS

Smedeland 15, 2600 Glostrup

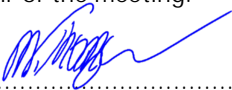
CVR no. 15 70 67 08

Annual report

for the year 1 January - 31 December 2021

Approved at the Company's annual general meeting on 6 July 2022

Chair of the meeting:



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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 Stanley Security Denmark ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 6 July 2022
Executive Board:

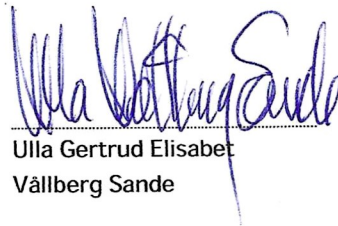


Michael Berggren Thomsen
CEO

Board of Directors:



Kertil Stenberg
Chair



Ulla Gertrud Elisabet
Vällberg Sande



Michael Berggren Thomsen

Independent auditor's report

To the shareholder of Stanley Security Denmark ApS

Opinion

We have audited the financial statements of Stanley Security Denmark ApS for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' 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.

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.

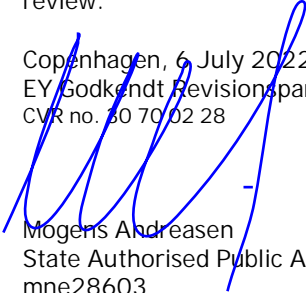
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.


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, 6 July 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Mogens Andreasen
State Authorised Public Accountant
mne28603


Anders Roe Eriksen
State Authorised Public Accountant
mne46667

Management's review

Company details

Name	Stanley Security Denmark ApS
Address, Postal code, City	Smedeland 15, 2600 Glostrup
CVR no.	15 70 67 08
Established	1 March 1992
Registered office	Glostrup
Financial year	1 January - 31 December
Board of Directors	Ketil Stenberg, Chair Ulla Gertrud Elisabet Vällberg Sande Michael Berggren Thomsen
Executive Board	Michael Berggren Thomsen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
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Key figures

Gross profit	43,438	43,896	54,128	54,339	44,394
Operating profit/loss	5,588	5,604	9,209	10,661	6,838
Net financials	159	313	309	256	288
Profit for the year	5,430	5,759	8,254	9,304	5,943

Total assets	68,127	59,271	67,593	70,086	60,268
Investments in property, plant and equipment	137	0	295	0	0
Equity	39,466	34,035	34,276	26,023	16,719

Financial ratios

Return on assets	8.8%	8.8%	13.4%	16.4%	13.6%
Equity ratio	57.9%	57.4%	50.7%	37.1%	27.7%
Return on equity	14.8%	16.9%	27.4%	43.5%	43.2%

Average number of full-time employees	61	60	66	65	58
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For terms and definitions, please see the accounting policies.

Management's review

Business review

Stanley Security Denmark ApS is a specialised security systems integrator providing design, installation and support of technology-based customised security solutions.

Stanley Security offers complete security solutions to businesses with high security requirements in market segments such as banks, post offices, industry, national defense, public institutions, local authorities, retail and chain stores, etc.

Our technological expertise ensures our customers the latest and most advanced high-tech security equipment.

Thanks to our international affiliation, our customers always have access to leading security insights and knowhow.

Our services are based on innovative technology and concepts comprising:

- Services - Helpdesk - Remote services - Alarm management & monitoring - Intruder detection & alarm
- Access control - EAS - Video surveillance - Fire protection - Integrated systems

Work environment

The Company works actively to ensure a good working environment. We believe this helps build a healthy and sound corporate culture. We perform surveys to find out whether our employees are satisfied, are in need of professional development, etc. and follow up on results in performance reviews at least once a year.

Mission

Our mission is to deliver complete solutions making clients trust us 100%.

Vision

Our vision is to earn our clients' 100% trust based on the following five commitments.

1. RELIABILITY

We promise to be there for our clients when it really counts. Together, we aim for the highest reliability scores for their specific business, industry and service requirements. Together, we define detailed objectives and metrics for the security performances that are vital to them.

2. TRANSPARENCY

We promise to set clear and concrete service standards and to keep improving them. First, we qualify and quantify service performance levels for our clients' specific security needs. Next, we invite them to judge us on those criteria. Then we use their feedback to improve our service performance. Our clients' ratings, and those of their colleagues, will enable us to update the benchmarks for their sector and to keep raising the bar.

3. PROACTIVITY

We promise to help our clients stay ahead of the game. We keep them up to date on the security trends in their industry. We tell them about every opportunity for optimising their system with the latest technology. We advise them on compliance with current and upcoming European and local legislation and certification. We help our clients to choose solutions that are future proof.

4. RELEVANCE

We promise to offer our clients solutions that are a 'best fit'. We tell them about benchmark projects in their sector. We make sure that we understand their specific business needs. We make security assessments and identify areas in which they can reduce their risks. Size does not matter to us. What counts is implementing the security solution that is best suited to our clients' businesses, whether they are small, medium or large. We go for solutions that are flexible enough to move to their new site with them, to expand with them into new markets and to keep working smoothly in a cross border environment.

5. ACCOUNTABILITY

We promise to take full responsibility from start to finish. We will hold ourselves fully accountable for the service levels we provide to our clients.

Management's review

Financial review

The income statement for 2021 shows a profit of DKK 5,430,219 against a profit of DKK 5,759,041 last year, and the balance sheet at 31 December 2021 shows equity of DKK 39,465,645. The profit for year is regarded as acceptable.

We did see an financial impact of the danish marked being closed down due to the corona outbreak, but we have taken a social responsibility toward the health and safety of our employees, which in all matters have been first priority. Therefore we have also invested in keeping people engaged and committed to deliver results in the "Working after Corona". In 2021 our focus has also been on being a more Nordic driven company with focus on SaaS, it's important for us to have a innovate approach to the solutions we offer, to offset the price competition in the marked.

Impact on the external environment

The Company has no significant impact on the external environment.

Events after the balance sheet date

After the balance sheet date 31 December 2021, the COVID 19 outbreak continued to impact Denmark.

The financial impact of COVID 19 remain uncertain, however at the time of adoption of the financial statements, COVID 19 did not result in any significant adjusting events of the companys financial position at 31 December 2021.

The Ukraine crises also occured after the event of the balance sheet, and although we don't see any mayor impact to our performance, we follow the crises intensely but can't yet say what impact it will have in 2022.

Outlook

The Company has in 2021 made further investment in sales with new sales leaders that makes a stronger footprint by region, and we had expected a higher growth on our core business in 2021 but was slightly impacted on core business due to the corona restrictions, but we foresee that 2022 will have full effect of the investment in sales and that growth will come back on core. Further to that we see that we have won the data center marked back and that it will have a positive impact in 2022.

The Company was affected at some level by the ongoing COVID 19 outbreak in 2020 and 2021, but specially the Nordic marked handled the effect very well with no mayor impact on the financial market.

The Ukraine crises also occured after the event of the balance sheet, and although we don't see any mayor impact to our performance, we follow the crises intensely but can't yet say what impact it will have in 2022.

Management expects to reach a gross profit in the range of DKK 40 60 million and a profit after tax in the range of DKK 5 15 million.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross profit	43,437,957	43,896,116
2	Staff costs	-35,186,726	-34,578,041
3	Amortisation/depreciation of intangible assets and property, plant and equipment	-1,422,159	-2,429,732
	Profit before net financials	6,829,072	6,888,343
	Financial income	365,612	389,482
	Financial expenses	-206,704	-76,945
	Profit before tax	6,987,980	7,200,880
4	Tax for the year	-1,557,761	-1,441,839
	Profit for the year	5,430,219	5,759,041

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Acquired intangible assets	206,911	268,181
		<u>206,911</u>	<u>268,181</u>
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	1,043,225	2,399,396
	Leasehold improvements	33,357	87,678
		<u>1,076,582</u>	<u>2,487,074</u>
7	Financial assets		
	Other receivables	3,426,888	3,484,250
	Deposits, investments	574,491	573,386
		<u>4,001,379</u>	<u>4,057,636</u>
	Total non-current assets	<u>5,284,872</u>	<u>6,812,891</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	3,228,804	2,093,056
		<u>3,228,804</u>	<u>2,093,056</u>
	Receivables		
	Trade receivables	17,717,285	18,728,101
8	Construction contracts	7,859,227	1,799,069
	Receivables from group enterprises	28,548,994	27,280,627
	Joint taxation contribution receivable	4,295,654	1,509,230
	Other receivables	164,675	286,000
9	Prepayments	1,027,627	762,192
		<u>59,613,462</u>	<u>50,365,219</u>
	Total current assets	<u>62,842,266</u>	<u>52,458,275</u>
	TOTAL ASSETS	<u><u>68,127,138</u></u>	<u><u>59,271,166</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	1,250,000	1,250,000
	Retained earnings	32,215,645	26,785,426
	Dividend proposed	6,000,000	6,000,000
	Total equity	<u>39,465,645</u>	<u>34,035,426</u>
	Liabilities		
11	Non-current liabilities		
12	Deferred tax	1,270,486	3,602,516
	Deposits	57,995	83,318
	Other payables	2,545,500	3,240,345
	Total non-current liabilities	<u>3,873,981</u>	<u>6,926,179</u>
	Current liabilities		
8	Construction contracts	1,394,005	327,608
	Trade payables	8,701,330	5,844,574
	Payables to group enterprises	1,663,104	1,784,798
	Corporation tax payable	3,337,801	641,350
	Other payables	4,787,962	4,356,041
13	Deferred income	4,903,310	5,355,190
	Total current liabilities	<u>24,787,512</u>	<u>18,309,561</u>
	Total liabilities	<u>28,661,493</u>	<u>25,235,740</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>68,127,138</u></u>	<u><u>59,271,166</u></u>

- 1 Accounting policies
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Appropriation of profit

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Stanley Security Denmark ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the Company is prepared, as the Company's cash flows are part of the consolidated cash flow statement for the ultimate parent company, Stanley Black & Decker Inc., which can be required from the following homepage: www.stanleyblackanddecker.com

Reporting currency

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

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 (construction contracts) IAS 18 (other goods and services) as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, comprising sale of spare parts and other installation equipment is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured 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.

Income from the rendering of services, which comprises installation services and other ad hoc services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Income from construction contracts where the purchaser has significantly influenced the construction of the asset is recognised as revenue as the production activities are carried on, implying that revenue corresponds to the market value of the contract work performed (production method). This method is used where the total income and expenses and the degree of completion of the contract can be made up reliably.

Where the income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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)

Where finance leases are entered into regarding assets, a sale and a receivable are recognised corresponding to the present value of cash flows from the lease plus the estimated, unguaranteed residual value of the asset at the end of the lease term. The present value is calculated based on the interest implicit in the lease agreement. Lease payments received are recognised partly as instalments on the lease receivable and partly as financial income.

Gross profit

The items revenue, other operating income 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.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

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

Other 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.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Acquired intangible assets	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.

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
Leasehold improvements	5 years

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 and expenses

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

Tax

The Company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The Danish sister companies are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial assets

Financial assets relate to receivables under finance lease and deposit related to rent.

Receivables relating to finance leases are measured at the net present value of the remaining minimum value, calculated by reference to interest rate implicit in the lease less write-downs resulting from the debtor's inability to pay. Write-downs are made on an individual basis, as required.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the weighted average method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in 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.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Cash

Cash comprises cash and bank balances.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

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".

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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as intercompany receivables or payables.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2021	2020
2 Staff costs		
Wages/salaries	31,880,671	31,387,803
Pensions	2,543,373	2,532,404
Other social security costs	485,400	364,271
Other staff costs	277,282	293,563
	<u>35,186,726</u>	<u>34,578,041</u>
Average number of full-time employees	<u>61</u>	<u>60</u>

By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to management is not disclosed for 2021.

DKK	2021	2020
3 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	61,270	252,366
Depreciation of property, plant and equipment	1,360,889	2,177,366
	<u>1,422,159</u>	<u>2,429,732</u>

DKK	2021	2020
4 Tax for the year		
Estimated tax charge for the year	3,933,801	1,489,350
Deferred tax adjustments in the year	-2,394,723	107,160
Tax adjustments, prior years	18,683	-154,671
	<u>1,557,761</u>	<u>1,441,839</u>

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5 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2021	9,635,139
Cost at 31 December 2021	9,635,139
Impairment losses and amortisation at 1 January 2021	9,366,958
Amortisation for the year	61,270
Impairment losses and amortisation at 31 December 2021	9,428,228
Carrying amount at 31 December 2021	206,911
Amortised over	3-5 years

6 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	13,743,567	7,359,668	21,103,235
Additions	136,620	0	136,620
Disposals	-2,334,043	0	-2,334,043
Transferred	-338	0	-338
Cost at 31 December 2021	11,545,806	7,359,668	18,905,474
Impairment losses and depreciation at 1 January 2021	11,344,171	7,271,990	18,616,161
Depreciation	1,306,230	54,659	1,360,889
Depreciation and impairment of disposals	-2,147,820	0	-2,147,820
Transferred	0	-338	-338
Impairment losses and depreciation at 31 December 2021	10,502,581	7,326,311	17,828,892
Carrying amount at 31 December 2021	1,043,225	33,357	1,076,582
Depreciated over	3-5 years	5 years	

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7 Financial assets

DKK	<u>Other receivables</u>	<u>Deposits, investments</u>	<u>Total</u>
Cost at 1 January 2021	3,484,250	573,386	4,057,636
Additions	0	1,105	1,105
Disposals	-57,362	0	-57,362
Cost at 31 December 2021	<u>3,426,888</u>	<u>574,491</u>	<u>4,001,379</u>
Carrying amount at 31 December 2021	<u>3,426,888</u>	<u>574,491</u>	<u>4,001,379</u>

With reference to the accounting policies, the other receivables comprises finance leases.

DKK	<u>2021</u>	<u>2020</u>
8 Construction contracts		
Selling price of work performed	20,794,871	79,147,908
Progress billings	-14,329,649	-77,676,447
	<u>6,465,222</u>	<u>1,471,461</u>
recognised as follows:		
Construction contracts (assets)	7,859,227	1,799,069
Construction contracts (liabilities)	-1,394,005	-327,608
	<u>6,465,222</u>	<u>1,471,461</u>

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies etc.

DKK	<u>2021</u>	<u>2020</u>
10 Share capital		
Analysis of the share capital:		
1,250,000 shares of DKK 1.00 nominal value each	1,250,000	1,250,000
	<u>1,250,000</u>	<u>1,250,000</u>

The Company's share capital has remained DKK 1,250,000 over the past 5 years.

11 Non-current liabilities

At 31 December 2021, Other payables amounts to DKK 2,545 thousand. Other payables relates to the accrued holiday which the Company manage. Long-term debt expected to be settled before 5 years amounts to DKK 175 thousand. Long-term debt which is expected to be settled after 5 years is DKK 2,370 thousand. No frozen holiday allowance is expected to be settled within 12 months.

None of the non-current liabilities falls due or are expected to be realised after 5 years.

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DKK	2021	2020
12 Deferred tax		
Deferred tax at 1 January	3,602,516	3,495,356
Change in deferred tax for the year	-2,394,723	0
Adjustment to deferred tax from prior year (return to provision)	62,693	0
Other deferred tax	0	107,160
Deferred tax at 31 December	<u>1,270,486</u>	<u>3,602,516</u>

13 Deferred income

Deferred income consists of income related to service contracts where revenue is recognised in subsequent financial year.

14 Contractual obligations and contingencies, etc.

Contingent liabilities

DKK	2021	2020
Bank guarantees	<u>0</u>	<u>901,091</u>
	<u>0</u>	<u>901,091</u>

Guarantee commitments relates to projects for customers.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>2,357,624</u>	<u>3,440,317</u>
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Rent and lease liabilities include a rent obligation totalling DKK 2,358 thousand in interminable rent agreements.

15 Collateral

Regarding bank guarantees, see note for contractual obligations and contingencies, etc. The Company has not provided any other security or other collateral in assets at 31 December 2021.

16 Related parties

Stanley Security Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Niscayah Group AB	Box 12231, 102 26 Stockholm, Sweden	Participating interest

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16 Related parties (continued)

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Stanley Black & Decker, Inc.	1000 Stanley Drive, NewBritain, Connecticut05053, USA	https://www.stanleyblackanddecker.com/investors

Related party transactions

Stanley Security Denmark ApS was engaged in the below related party transactions:

DKK	2021	2020
Service and IT costs from parent company	-2,505,691	-6,384,513
Service and IT costs from associated companies	-5,657,721	-429,684
Employee related expenses from associated companies	-654,357	-217,782
Recharge of services	1,489,447	867,507
IC receivables, parent company	157,490	404,197
IC receivables, other group companies	497,123	23,952
IC receivables, other group companies (joint taxation)	4,295,654	1,509,230
IC receivables (cash pool)	27,894,382	26,852,477
IC payables, other group companies	-1,663,104	-1,784,798

See statement of changes in equity for dividend distribution to parent company.

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:

Name	Domicile
Niscayah Group AB	Box 12231, 102 26 Stockholm, Sweden

DKK	2021	2020
17 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	0	6,000,000
Retained earnings/accumulated loss	5,430,219	-240,959
	5,430,219	5,759,041