
Danoffice IT ApS

Englandsvej 14, DK-5700 Svendborg

Annual Report for 1 January - 31 December 2022

CVR No 21 37 07 38

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/3 2023

Kevin Kristoffer Ehnhuus
Iermiin
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Consolidated and Parent Company Financial Statements	
Income Statement 1 January - 31 December	13
Balance Sheet 31 December	14
Statement of Changes in Equity	16
Cash Flow Statement 1 January - 31 December	17
Notes to the Financial Statements	18

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Danoffice IT ApS for the financial year 1 January - 31 December 2022.

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

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

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

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

Svendborg, 3 March 2023

Executive Board

Lars Baun Jensen
CEO

Allan Malmos Jeppesen
CFO

Independent Auditor's Report

To the Shareholder of Danoffice IT ApS

Report on the Consolidated Financial Statements and the Parent Company Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials 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

Independent Auditor's Report

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 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 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 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 Company's and the Group'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

Independent Auditor's Report

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 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.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the provisions of Danish legislation on financing of acquisition of treasury shares

Contrary to section 206 of the Danish Companies Act, the Company has granted a loan to the Company's shareholder for repayment of debt regarding acquisition of shares in the Company, by which Management may incur liability.

The loan bears interest in accordance with the provisions of the Danish Companies Act, and the loan has been fully repaid including interests before the approval of the Financial Statements for 2022.

Odense, 3 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam
State Authorised Public Accountant
mne27768

Claus Damhave
State Authorised Public Accountant
mne34166

Company Information

The Company

Danoffice IT ApS
Englandsvej 14
DK-5700 Svendborg

CVR No: 21 37 07 38
Financial period: 1 January - 31 December
Municipality of reg. office: Svendborg

Executive Board

Lars Baun Jensen
Allan Malmos Jeppesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Financial Highlights

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

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Revenue	2,862,164	2,000,239	1,119,754	1,044,438	650,554
Operating profit/loss	76,647	78,767	34,156	48,697	35,558
Profit/loss before financial income and expenses	76,597	78,767	34,232	48,697	35,558
Net financials	-3,532	1,128	-12,960	723	3,885
Net profit/loss for the year	52,872	56,473	14,907	38,630	29,733
Balance sheet					
Balance sheet total	1,562,070	842,625	394,774	421,120	264,663
Equity	358,265	266,898	148,362	133,940	96,500
Cash flows					
Cash flows from:					
- operating activities	-9,565	60,287	52,966	32,667	120,354
- investing activities	-5,527	-154,508	-2,134	-68,876	-917
including investment in property, plant and equipment	-3,984	-13,016	-467	-436	-448
- financing activities	-23,050	88,679	-7,058	-37,274	-16,539
Change in cash and cash equivalents for the year	-38,142	-5,542	43,774	-73,483	102,898
Number of employees	250	187	127	117	61
Ratios					
Gross margin	10.4%	12.0%	11.3%	11.5%	10.8%
Profit margin	2.7%	3.9%	3.1%	4.7%	5.5%
Return on assets	4.9%	9.3%	8.7%	11.6%	13.4%
Solvency ratio	22.9%	31.7%	37.6%	31.8%	36.5%
Return on equity	16.9%	27.2%	10.6%	33.5%	36.1%

See the description under accounting policies.

Management's Review

Key activities

The Group's principal activities comprise of providing IT infrastructure, consultancy, managed service and other high technology solutions to international institutions and B2B customers both local and international.

Development in activities and financial matters

Growth and earnings

Danoffice IT Groups revenue grew to an all-time-high of DKK 2,862 million in 2022 (2021: DKK 2,000 million). The growth of 43% derived from an organic growth within the Group's established markets and offerings of DKK 487 million and the full year inclusion of Edgemo acquired in June 2021.

The growth in 2022 was split on all 3 geographical segments with the Asia Pacific region increasing by 122,9% to a total revenue of DKK 146 million, North- and South America by 27.4% to DKK 621 million and Europe, Middle East and Africa by 44.7% to 2,093 million.

Adjusted for non-recurring costs according to group policy, the 2022 EBITDA was DKK 113.5 million. (2021: DKK 108.8 million).

Danoffice IT Group realized a profit of TDKK 52,872 in 2022 (2021: TDKK 56,477), which was just below the range of the initial expectations for the year. Operational costs, including staff and other external expenses have been impacted by the significant increase in the global inflation level in 2022 resulting in a higher costs base than initially expected.

Strategic initiatives

During 2022 several important strategic initiatives has been initiated including increasing our local presence in Asia with the establishment of a new Singapore based office and making Danoffice Group ready for the future growth with initiating of an upgrade and expansion of the group warehouse and production facilities.

In April 2022, the merger of Danoffice IT ApS and Edgemo A/S was finalized and implemented with effect from January 2022.

Management's Review

Balance and equity

By the end of December 2022, the current assets have increased to DKK 1,361 million. A major part of the current assets relates to goods in transit to customers which at the end of the year amounted to DKK 493.3 million (2021: DKK 75.9 million). The level of goods in transit will be normalized in the beginning of 2023 as a major part of the goods in transit are expected to be delivered within the first months of 2023.

At 31 December 2022 the equity amounts to TDKK 358,265 compared to an equity of TDKK 266,898 at 31 December 2021.

Outlook

The company expects a neutral to positive development in 2023 with a net profit for the year in the range of DKK 50-60 million.

Currency risks

Main currency DKK, EUR, and USD.

A part of the Group's sales is invoiced in USD. The goods sold in USD are, however, also purchased in USD resulting in a natural hedge to some extent. The Group does currently not hedge the resulting net exposure arising from the sales being higher than the purchases and the different payment terms for sales and purchases in USD.

Trade receivables

The Group is exposed to credit risk from the sale of goods. The majority of the Group's trade receivables are UN organizations, NGO's and large corporate organizations. UN is funded by national states and the credit risk is therefore considered very limited. The remaining trade receivable arise from sale to various corporates and IGO's.

Research and development

The Group does not have any research and development activities.

Statutory statement in accordance with section 99 a of the Danish Financial Statements Act

Business model

The Group's principal activities comprise of providing IT infrastructure consultancy, service, and other high technology solutions to international institutions and B2B customers both local and international.

We work with leading global businesses, organizations, government departments and NGO's from our global presence. We have forged close relationships with our suppliers and manufacturers, and we deal

Management's Review

with the major brands in IT hardware, software, and solutions. It means we can deliver a prompt, reliable and competitive service to our customers wherever they are in the world.

Risk assessment

Danoffice IT complies with all relevant legislation in the markets where we are present. As signatories to the UN Global Compact, we take our responsibility towards the surrounding society seriously and maintain policies and efforts to minimize our negative impact and amplify our positive.

Our employees are our most important resource and being able to attract and maintain the right employees is of key importance.

When we assess climate change and environmental issues, the most material risks are the risks related to product shortages in the supply chain due to lack of mineral resources as well as our impact on the climate through energy consumption from our operations.

While there are risks related to human rights when it comes to working conditions in the supply chain, e.g. sourcing of minerals, we have limited impact on those risks due to size etc. Our main focus for human rights is therefore ensuring a diverse workplace free from harassment.

At Danoffice IT we consider corruption as a substantial obstacle to economic and social development around the world. It has negative impacts on sustainable development and predominantly sustains poverty.

For further information on Danoffice CSR/ESG related subjects please visit www.danofficeit.com/about/csr/ where you also find the latest Global Compact COP report.

Regarding climate change and environmental issues

At Danoffice we strive to minimize our negative impact on the environment and on climate change.

In April 2022, Danoffice IT committed to the Science-based Targets initiative SBTi in order to build a sustainable business with minimal negative impact on the climate. The SBTi approved target is to reduce our emissions of greenhouse gases by a minimum of 50% for scope 1 and scope 2, and to reduce the emissions in scope 3 as much as possible by 2030.

Since 2009 Danoffice IT has executed our "Protect Mother Earth" recycling program. In partnership with our United Nations clients and our vendors, we collect used toners and cartridges from the UN missions all over the world and recycle.

Internally, we have continued to minimize our consumption of energy and resources in 2022 through setting requirements for equipment and suppliers. As an example of the initiatives to reduce our carbon front is the CO2 neutral workspace program, where Danoffice IT neutralizes the carbon footprint of all internal workspace PCs and monitors via an UNFCCC program.

Management's Review

We plan to continue the work on improving and reducing our consumption of energy and resources in general in 2023.

Regarding human rights

At Danoffice IT we believe that all human beings are born free and equal in dignity and rights. We respect all people regardless of nationality, race, religion, class or political opinions. Danoffice IT promote social interaction between people and cultures and aim at a mix organizational culture.

We embrace culture and have employees of more than 10 different nationalities, coming from South America, USA, Europe, and Middle East. Our organization mix is balanced with 30% (2021; 28%) women & 72% (2021; 70%) men and we span over various religions.

In 2022, we continued buying coffee beans through the NGO NGUVU who buys directly from local female farmers cutting all the middlemen giving the women higher yield. The women agree on a contract where the NGO secures education of their children and other necessities. This way we can support the women and their children with food, clean water, medical treatment, and education.

We plan to continue the work and focus on Human rights in 2023.

Regarding social and employee conditions

Danoffice IT has a work life balance policy encouraging flexible working hours and tolerance for personal and family issues and or needs.

Our staff is our most important resource wherefore we strive to keep our staff mentally and physically fit. To support an active and healthy lifestyle, Danoffice encourage employees to participate in Run for a Purpose as well as supporting local sports clubs in Denmark where employees can nominate relevant local projects/ clubs. In 2022, the donation from our Run for purpose program included a donation of reused laptops and iPads to Ukrainian orphans who, due to the war, now live in three orphanages in Poland.

As part of ensuring the best possible working conditions for our employees, individual employee interviews, workplace assessments and employee surveys are carried out on a regularly basis.

Efforts on social and employee conditions will continue in 2023.

Management's Review

Regarding anti-corruption

Danoffice IT position on corruption is not to take part, or to accept, any form of fraud or corruption.

The Company defines bribery as an act on offering or receiving money, goods or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter.

The Company is determined to prevent, detect and deter any form thereof. This has been our position since our foundation in 1995 and we are proud to say that our Company has never been involved, accused, or convicted of any form of fraud or corruption, neither in 2022. To ensure constant focus on preventing any form of fraud and corruption ISO 37001 (Anti bribery management system) is implemented and certified by Bureau Veritas.

The Company whistleblower program has been in place for several years.

We plan to continue with the current efforts in 2023 including ensuring a constant focus in the organization on preventing corruption.

Goal and policies regarding gender quotation in accordance with section 99 b of the Danish Financial Statements Act

The Group has no Board of Directors, and the Executive Board consists of 2 members. The two members of the Executive Board are both males.

It is our policy, that the underrepresented gender should represent 50% of the Group's total members of the Executive Board and Day to day business management.

To balance the gender, the Group strive at having minimum one of each gender represented among the last three candidates in the hiring process.

According to the latest guidance from the Danish Business Authority, we consider that we have achieved equal distribution in top management, as our Executive Board consists of two persons only. In the day to day Management of the Group, 30% are female and 70% are male. The group strives to increase the level of female representation in the management of the day to day business to 35% by end of 2023.

Statutory statement in accordance with section 99 d of the Danish Financial Statements Act

We comply with legal requirements and acknowledge and respect that our use of data (both personal data and non personal data) may create risks for the users that applicable laws do not cover. We manage these risks by adhering to the principles described in our Data Ethics Policy which can be found here: www.danofficeit.com.

We have standards in relation to where we collect data and how we use the data:

- We refrain from extensive collection of data which may be characterised as data driven surveillance.

Management's Review

- We set standards on ourselves in collecting data from our assets and other sources

We will develop additional policies and procedures to ensure that we comply with the above mentioned principles.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

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

Income Statement 1 January - 31 December

	Note	Group		Parent	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Revenue	1	2,862,164	2,000,239	2,739,153	1,869,475
Expenses for raw materials and consumables		-2,503,846	-1,716,412	-2,402,306	-1,615,102
Other external expenses		-59,441	-43,697	-57,620	-42,943
Gross profit/loss		298,877	240,130	279,227	211,430
Staff expenses	2	-196,467	-140,521	-181,593	-128,189
EBITDA		102,410	99,609	97,634	83,241
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-25,763	-20,842	-22,224	-17,213
Other operating expenses		-50	0	0	0
Profit/loss before financial income and expenses		76,597	78,767	75,410	66,028
Income from investments in subsidiaries		0	0	-787	5,518
Financial income	3	4,169	9,406	4,841	9,861
Financial expenses	4	-7,701	-8,278	-7,608	-7,548
Profit/loss before tax		73,065	79,895	71,856	73,859
Tax on profit/loss for the year	5	-20,193	-23,422	-18,984	-17,386
Net profit/loss for the year		52,872	56,473	52,872	56,473

Balance Sheet 31 December

Assets

	Note	Group		Parent	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Software		1,895	2,421	1,366	1,636
Customer relations		83,965	94,949	74,167	81,998
Goodwill		95,145	105,804	79,706	90,365
Intangible assets	6	181,005	203,174	155,239	173,999
Land and buildings		12,022	12,061	12,022	12,061
Other fixtures and fittings, tools and equipment		4,544	3,515	3,956	3,225
Leasehold improvements		569	314	550	273
Property, plant and equipment	7	17,135	15,890	16,528	15,559
Investments in subsidiaries	8	0	0	41,306	40,028
Deposits	9	2,775	2,141	2,405	1,891
Fixed asset investments		2,775	2,141	43,711	41,919
Fixed assets		200,915	221,205	215,478	231,477
Inventories	10	735,883	226,132	692,990	217,197
Trade receivables		529,667	288,733	515,512	267,953
Receivables from group enterprises		25,226	0	27,935	9,686
Other receivables		16,593	14,956	16,152	14,333
Prepayments	11	867	538	867	538
Receivables		572,353	304,227	560,466	292,510
Cash at bank and in hand		52,919	91,061	43,830	74,297
Currents assets		1,361,155	621,420	1,297,286	584,004
Assets		1,562,070	842,625	1,512,764	815,481

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital		250	250	250	250
Foreign currency translation reserve		387	-31	387	-31
Retained earnings		357,628	266,679	357,628	266,679
Equity		358,265	266,898	358,265	266,898
Provision for deferred tax	13	20,407	22,152	17,576	18,949
Provisions		20,407	22,152	17,576	18,949
Payables to group enterprises		0	37,726	0	37,726
Other payables		15,468	15,171	15,072	14,783
Long-term debt	14	15,468	52,897	15,072	52,509
Credit institutions		5,168	0	5,168	0
Prepayments received from customers		5,530	5,872	5,530	5,872
Trade payables		1,116,194	423,356	1,065,423	408,332
Payables to group enterprises	14	0	3,343	10,185	3,343
Corporation tax		3,454	4,076	0	0
Payables to group enterprises relating to corporation tax		21,305	23,998	20,210	21,987
Other payables	14	15,421	39,106	14,477	36,664
Deferred income		858	927	858	927
Short-term debt		1,167,930	500,678	1,121,851	477,125
Debt		1,183,398	553,575	1,136,923	529,634
Liabilities and equity		1,562,070	842,625	1,512,764	815,481
Distribution of profit	12				
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Fee to auditors appointed at the general meeting	19				
Subsequent events	20				
Accounting Policies	21				

Statement of Changes in Equity

Group

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	250	-31	266,679	266,898
Exchange adjustments	0	418	0	418
Contribution from group	0	0	38,077	38,077
Net profit/loss for the year	0	0	52,872	52,872
Equity at 31 December	250	387	357,628	358,265

Parent

Equity at 1 January	250	-31	266,679	266,898
Exchange adjustments	0	418	0	418
Contribution from group	0	0	38,077	38,077
Net profit/loss for the year	0	0	52,872	52,872
Equity at 31 December	250	387	357,628	358,265

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 TDKK	2021 TDKK
Net profit/loss for the year		52,872	56,473
Adjustments	15	49,538	43,136
Change in working capital	16	-83,510	-27,521
Cash flows from operating activities before financial income and expenses		18,900	72,088
Financial income		4,169	8,658
Financial expenses		-7,701	-7,967
Cash flows from ordinary activities		15,368	72,779
Corporation tax paid		-24,933	-12,492
Cash flows from operating activities		-9,565	60,287
Purchase of intangible assets		-984	-377
Purchase of property, plant and equipment		-3,984	-13,016
Fixed asset investments made etc		-634	-845
Sale of property, plant and equipment		75	0
Sale of fixed asset investments etc		0	1,102
Business acquisition		0	-141,372
Cash flows from investing activities		-5,527	-154,508
Repayment of loans from credit institutions		0	-1,696
Repayment of payables to group enterprises		-28,218	0
Raising of loans from credit institutions		5,168	0
Raising of loans from group enterprises		0	28,772
Group contribution		0	61,603
Cash flows from financing activities		-23,050	88,679
Change in cash and cash equivalents		-38,142	-5,542
Cash and cash equivalents at acquisition		0	19,194
Cash and cash equivalents at 1 January		91,061	77,409
Cash and cash equivalents at 31 December		52,919	91,061
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		52,919	91,061
Cash and cash equivalents at 31 December		52,919	91,061

Notes to the Financial Statements

	Group		Parent	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
1 Revenue				
Geographical segments				
Asia Pacific	146,974	65,945	145,724	56,337
Europe, Middle East and Africa	2,093,724	1,446,460	2,025,546	1,393,587
North and South America	621,466	487,834	567,883	419,551
	2,862,164	2,000,239	2,739,153	1,869,475
2 Staff expenses				
Wages and salaries	172,439	128,383	160,752	112,905
Pensions	11,640	5,520	10,413	7,993
Other social security expenses	2,103	1,100	1,648	1,263
Other staff expenses	10,285	5,518	8,780	6,028
	196,467	140,521	181,593	128,189
Including remuneration of:				
Executive Board	5,001	5,413	5,001	5,413
	5,001	5,413	5,001	5,413
Average number of employees	250	187	235	118

Notes to the Financial Statements

	Group		Parent	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
3 Financial income				
Interest received from group enterprises	450	0	1,077	519
Other financial income	204	117	249	0
Exchange adjustments	3,515	9,289	3,515	9,342
	4,169	9,406	4,841	9,861
4 Financial expenses				
Interest paid to group enterprises	0	1,258	294	1,328
Other financial expenses	7,511	6,423	7,314	6,220
Exchange adjustments, expenses	190	597	0	0
	7,701	8,278	7,608	7,548
5 Tax on profit/loss for the year				
Current tax for the year	21,602	21,318	20,210	17,709
Deferred tax for the year	-1,744	-906	-1,372	-323
Adjustment of tax concerning previous years	335	3,010	146	0
	20,193	23,422	18,984	17,386

Notes to the Financial Statements

6 Intangible assets

Group

	Software TDKK	Customer relations TDKK	Goodwill TDKK	Total TDKK
Cost at 1 January	12,845	105,730	123,760	242,335
Additions for the year	984	0	0	984
Cost at 31 December	<u>13,829</u>	<u>105,730</u>	<u>123,760</u>	<u>243,319</u>
Impairment losses and amortisation at 1 January	10,424	10,781	17,956	39,161
Amortisation for the year	1,510	10,984	10,659	23,153
Impairment losses and amortisation at 31 December	<u>11,934</u>	<u>21,765</u>	<u>28,615</u>	<u>62,314</u>
Carrying amount at 31 December	<u>1,895</u>	<u>83,965</u>	<u>95,145</u>	<u>181,005</u>

Parent

	Software TDKK	Customer relations TDKK	Goodwill TDKK	Total TDKK
Cost at 1 January	10,084	39,100	52,349	101,533
Net effect from merger and acquisition	1,484	52,240	54,256	107,980
Additions for the year	984	0	0	984
Cost at 31 December	<u>12,552</u>	<u>91,340</u>	<u>106,605</u>	<u>210,497</u>
Impairment losses and amortisation at 1 January	8,666	6,730	13,528	28,924
Net effect from merger and acquisition	1,266	2,612	2,712	6,590
Amortisation for the year	1,254	7,831	10,659	19,744
Impairment losses and amortisation at 31 December	<u>11,186</u>	<u>17,173</u>	<u>26,899</u>	<u>55,258</u>
Carrying amount at 31 December	<u>1,366</u>	<u>74,167</u>	<u>79,706</u>	<u>155,239</u>

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	12,074	16,550	3,350	31,974
Additions for the year	0	3,555	429	3,984
Disposals for the year	0	-285	0	-285
Cost at 31 December	<u>12,074</u>	<u>19,820</u>	<u>3,779</u>	<u>35,673</u>
Impairment losses and depreciation at 1 January	13	13,034	3,036	16,083
Depreciation for the year	39	2,397	174	2,610
Reversal of impairment and depreciation of sold assets	0	-155	0	-155
Impairment losses and depreciation at 31 December	<u>52</u>	<u>15,276</u>	<u>3,210</u>	<u>18,538</u>
Carrying amount at 31 December	<u>12,022</u>	<u>4,544</u>	<u>569</u>	<u>17,135</u>

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	12,074	8,341	0	20,415
Net effect from merger and acquisition	0	7,223	607	7,830
Additions for the year	0	3,020	429	3,449
Kostpris at 31 December	<u>12,074</u>	<u>18,584</u>	<u>1,036</u>	<u>31,694</u>
Impairment losses and depreciation at 1 January	13	6,689	0	6,702
Net effect from merger and acquisition	0	5,650	334	5,984
Depreciation for the year	39	2,289	152	2,480
Impairment losses and depreciation at 31 December	<u>52</u>	<u>14,628</u>	<u>486</u>	<u>15,166</u>
Carrying amount at 31 December	<u>12,022</u>	<u>3,956</u>	<u>550</u>	<u>16,528</u>

Notes to the Financial Statements

	Parent	
	2022 TDKK	2021 TDKK
8 Investments in subsidiaries		
Cost at 1 January	70,760	40,960
Additions for the year	0	29,800
Cost at 31 December	<u>70,760</u>	<u>70,760</u>
Value adjustments at 1 January	-30,732	-36,704
Exchange adjustment	418	454
Net profit/loss for the year	2,051	8,514
Amortisation of goodwill and other intangible assets	-2,838	-2,996
Value adjustments at 31 December	<u>-31,101</u>	<u>-30,732</u>
Equity investments with negative net asset value amortised over receivables	<u>1,647</u>	<u>0</u>
Carrying amount at 31 December	<u>41,306</u>	<u>40,028</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>31,545</u>	<u>31,545</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danoffice IT SA	Rolle, Switzerland	CHF 100.000	100%
Danoffice IT Inc.	Newark, Delaware, USA	USD 30	100%
NPvision Group A/S	Aarhus, Denmark	DKK 500.000	100%
Danoffice IT PTE. LTD.	Singapore	SGD 0	100%

Notes to the Financial Statements

9 Other fixed asset investments

	<u>Group</u>	<u>Parent</u>
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	2,141	1,555
Net effect from merger and acquisition	0	336
Additions for the year	1,020	900
Disposals for the year	-386	-386
Cost at 31 December	<u>2,775</u>	<u>2,405</u>
Carrying amount at 31 December	<u>2,775</u>	<u>2,405</u>

	<u>Group</u>		<u>Parent</u>	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
10 Inventories				
Finished goods and goods for resale	242,625	150,280	218,835	142,831
Goods in transit	493,258	75,852	474,155	74,366
	<u>735,883</u>	<u>226,132</u>	<u>692,990</u>	<u>217,197</u>

11 Prepayments

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

	<u>Parent</u>	
	2022	2021
	TDKK	TDKK
12 Distribution of profit		
Retained earnings	<u>52,872</u>	<u>56,473</u>
	<u>52,872</u>	<u>56,473</u>
Extraordinary dividend after year end	<u>22,166</u>	<u>0</u>

Notes to the Financial Statements

	Group		Parent	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
13 Provision for deferred tax				
Provision for deferred tax at 1 January	22,152	8,649	18,949	8,649
Amounts recognised in the income statement for the year	-1,745	-906	-1,373	-506
Net effect from acquisition and merger	0	14,409	0	10,806
Provision for deferred tax at 31 December	20,407	22,152	17,576	18,949

14 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:

Payables to group enterprises

Between 1 and 5 years	0	37,726	0	37,726
Long-term part	0	37,726	0	37,726
Other short-term debt to group enterprises	0	3,343	10,185	3,343
	0	41,069	10,185	41,069

Other payables

Between 1 and 5 years	15,468	15,171	15,072	14,783
Long-term part	15,468	15,171	15,072	14,783
Other short-term payables	15,421	39,106	14,478	36,660
	30,889	54,277	29,550	51,443

Notes to the Financial Statements

	Group	
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
15 Cash flow statement - adjustments		
Financial income	-4,169	-9,406
Financial expenses	7,701	8,278
Depreciation, amortisation and impairment losses, including losses and gains on sales	25,813	20,842
Tax on profit/loss for the year	20,193	23,422
	<u>49,538</u>	<u>43,136</u>
16 Cash flow statement - change in working capital		
Change in inventories	-509,752	-93,290
Change in receivables	-238,830	-44,479
Change in trade payables, etc	665,072	110,248
	<u>-83,510</u>	<u>-27,521</u>

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations	Group		Parent	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3,295	2,789	3,295	2,789
Between 1 and 5 years	3,967	3,968	3,967	3,968
	7,262	6,757	7,262	6,757
Rental obligations between 6 to 57 months	24,096	13,566	23,463	12,929

Other contingent liabilities

As part of the company's ordinary business procedures, bank guarantees have been provided to third parties. At 31 December 2022, bank guarantees amounted to TDKK 33,693 (2021: TDKK 33,342)

The company is jointly and severally liable for group enterprises credit facility within Nykredit Bank. At 31 December 2022, credit facilities amounted to TDKK 161,655 (2021: TDKK 174,240)

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 Belgravia 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.

18 Related parties

Basis

Controlling interest

Belgravia Bidco ApS
Agilitas 2015 Private Equity Fund L.P.

Majority owner
Ultimate ownership

Notes to the Financial Statements

18 Related parties (continued)

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.

There have been no such transactions.

Consolidated Financial Statements

The Group is included in the Group Annual report for the parent company, Belgravia Topco ApS.

Name	Place of registered office
Belgravia Topco ApS	Englandsvej 14, DK-5700 Svendborg

	Group		Parent	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
19 Fee to auditors appointed at the general meeting				
Audit fee	296	318	261	286
Tax advisory services	168	404	163	399
Non-audit services	409	916	401	909
	873	1,638	825	1,594

20 Subsequent events

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

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Danoffice IT ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

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

The Company has merged with its subsidiary Edgemo A/S with accounting effect at 1 January 2022 with Danoffice IT ApS as the continuing company. In connection with the merger, the company has applied the consolidation method. Under this method the two companies are combined at carrying amounts, and no differences are identified. The comparative figures are restated back to when the parent company obtained control over the subsidiary (1 July 2021).

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Danoffice IT ApS, 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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by

Notes to the Financial Statements

21 Accounting Policies (continued)

restating comparative figures.

Leases

All 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

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group's risks and returns and its internal financial reporting system. The Group has primarily one business segment.

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.

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 revenue for the year.

Notes to the Financial Statements

21 Accounting Policies (continued)

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

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 changes in deferred tax for the year. The tax attributable to the profit for the 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 Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

21 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Customer relations is measured at cost less accumulated amortisation. Customer relations is amortised on a straight-line basis over its useful life, which is assessed at 15 years.

Software that are recognised in the balance sheet are measured at cost less accumulated depreciation.

The expected useful life is 3-5 years.

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:

Land and buildings	30 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5-10 years

The residual values are estimated at the following percentage of the cost:

Land and buildings	70 %
--------------------	------

The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

Notes to the Financial Statements

21 Accounting Policies (continued)

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 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 deposit.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes to the Financial Statements

21 Accounting Policies (continued)

Prepayments

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

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

Deferred income

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

Notes to the Financial Statements

21 Accounting Policies (continued)

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".

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$

Notes to the Financial Statements

21 Accounting Policies (continued)

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$