BUUS JENSEN
Statsautoriserede
Revisorer

Smarttec Nordic A/S

Rugvænget 21 F, 2630 Taastrup

Company reg. no. 28 68 71 68

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 29 June 2022.

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Lars Bøndergaard
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Smarttec Nordic A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Taastrup, 28 June 2022

Managing Director

Lars Bøndergaard

Board of directors

Frank Wiethüchter	Roland Feuser	Lars Holst-Jørgensen
Lars Bøndergaard		

Independent auditor's report

To the Shareholders of Smarttec Nordic A/S

Opinion

We have audited the financial statements of Smarttec Nordic A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 judgment and maintain professional skepticism 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.

- 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 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 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.

Independent auditor's report

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

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

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 28 June 2022

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Arne Sørensen
State Authorised Public Accountant
mne27757

Company information

The company	Smarttec Nordic A/S Rugvænget 21 F 2630 Taastrup	
	Company reg. no.	28 68 71 68
	Established:	15 April 2005
	Domicile:	Høje Taastrup
	Financial year:	1 January - 31 December
Board of directors	Frank Wiethüchter Roland Feuser Lars Holst-Jørgensen Lars Bøndergaard	
Managing Director	Lars Bøndergaard	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

The principal activities of the company

The company´s main activity is trading and distribution with production equipment and process related consumer products for the manufacture of electronic products.

Development in activities and financial matters

The income from ordinary activities after tax totals DKK 13.446 against DKK -134.795 last year.

The financial year has been significantly affected by the coronavirus and the restrictions caused by the coronavirus crisis.

Consequently, the company has applied for compensation in Sweden from the state compensation scheme in relation to the coronavirus crisis, comprising compensation for wages. The extent of the compensation amounts to DKK 37 thousand and is recognised in the financial statements under Other operating income. Specifications in this relation appears from note 1 concerning special items.

The management expects a positive result for the coming year.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**5.294.057**	**5.501.649**
2	Staff costs	-5.423.710	-5.469.976
	Depreciation, amortisation, and impairment	-28.818	-15.941
	Operating profit	**-158.471**	**15.732**
	Other financial income	303.740	0
3	Other financial expenses	-152.123	-142.927
	Pre-tax net profit or loss	**-6.854**	**-127.195**
4	Tax on net profit or loss for the year	20.300	-7.600
	Net profit or loss for the year	**13.446**	**-134.795**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	13.446	0
	Allocated from retained earnings	0	-134.795
	Total allocations and transfers	**13.446**	**-134.795**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
5	Acquired concessions, patents, licenses, trademarks, and similar rights	84.828	0
6	Goodwill	0	0
	Total intangible assets	84.828	0
7	Other fixtures and fittings, tools and equipment	21.987	27.983
8	Leasehold improvements	50.085	64.925
	Total property, plant, and equipment	72.072	92.908
	Total non-current assets	**156.900**	**92.908**
	Current assets		
	Manufactured goods and goods for resale	3.524.758	2.018.572
	Total inventories	3.524.758	2.018.572
	Trade receivables	4.527.813	1.744.380
	Deferred tax assets	20.300	0
	Income tax receivables	60.000	54.000
	Other receivables	379.119	2.114.916
	Prepayments	26.233	0
	Total receivables	5.013.465	3.913.296
	Cash and cash equivalents	2.064.012	1.904.648
	Total current assets	**10.602.235**	**7.836.516**
	Total assets	**10.759.135**	**7.929.424**

Balance sheet at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2021	2020
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	1.084.095	1.070.649
	Total equity	**1.584.095**	**1.570.649**
	Liabilities other than provisions		
	Subordinate loan capital	741.422	741.422
	Total long term liabilities other than provisions	741.422	741.422
	Bank loans	1.311.614	614.396
	Trade payables	3.198.532	2.221.254
	Debt to associated enterprises	22.536	0
	Other payables	3.900.936	2.781.703
	Total short term liabilities other than provisions	8.433.618	5.617.353
	Total liabilities other than provisions	**9.175.040**	**6.358.775**
	Total equity and liabilities	**10.759.135**	**7.929.424**

1 Special items

9 Charges and security

10 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	500.000	1.205.444	1.705.444
Profit or loss for the year brought forward	0	-134.795	-134.795
Equity 1 January 2021	500.000	1.070.649	1.570.649
Profit or loss for the year brought forward	0	13.446	13.446
	500.000	**1.084.095**	**1.584.095**

Notes

All amounts in DKK.

	2021	2020

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net loss for the year is affected by compensation for wages due to COVID-19 that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Income:		
Compensation for wages	36.766	355.543
	36.766	355.543
Special items are recognised in the following items in the financial statements:		
Gross profit / Other operating income	36.766	355.543
Profit of special items, net	**36.766**	**355.543**

2. Staff costs

	2021	2020
Salaries and wages	5.363.188	5.418.095
Other costs for social security	60.522	51.881
	5.423.710	**5.469.976**
Average number of employees	8	7

3. Other financial expenses

	2021	2020
Other financial costs	152.123	142.927
	152.123	**142.927**

Notes

All amounts in DKK.

		2021	2020
4.	**Tax on net profit or loss for the year**		
	Adjustment for the year of deferred tax	-20.300	7.600
		-20.300	**7.600**

5.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Additions during the year	92.810	0
	Cost 31 December 2021	**92.810**	**0**
	Amortisation and writedown for the year	-7.982	0
	Amortisation and writedown 31 December 2021	**-7.982**	**0**
	Carrying amount, 31 December 2021	**84.828**	**0**

6.	**Goodwill**		
	Cost 1 January 2021	475.000	475.000
	Cost 31 December 2021	**475.000**	**475.000**
	Amortisation and writedown 1 January 2021	-475.000	-475.000
	Amortisation and writedown 31 December 2021	**-475.000**	**-475.000**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
7.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	73.207	78.225
	Additions during the year	0	29.982
	Disposals during the year	0	-35.000
	Cost 31 December 2021	**73.207**	**73.207**
	Amortisation and writedown 1 January 2021	-45.224	-73.558
	Depreciation and writedown for the year	-5.996	-6.666
	Depreciation and writedown, assets disposed of	0	35.000
	Amortisation and writedown 31 December 2021	**-51.220**	**-45.224**
	Carrying amount, 31 December 2021	**21.987**	**27.983**

8.	**Leasehold improvements**		
	Cost 1 January 2021	74.200	0
	Additions during the year	0	74.200
	Cost 31 December 2021	**74.200**	**74.200**
	Depreciation and writedown 1 January 2021	-9.275	0
	Depreciation and writedown for the year	-14.840	-9.275
	Depreciation and writedown 31 December 2021	**-24.115**	**-9.275**
	Carrying amount, 31 December 2021	**50.085**	**64.925**

9. Charges and security

Businesspartners guarantess have been issued of DKK 75.000

As the collateral for bank facilities, the company has issued a mortgage of DKK 2.050.000

10. Contingencies

Contingent liabilities

	DKK in thousands
Total contingent liabilities	115

Accounting policies

The annual report for Smarttec Nordic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Licenses/ software are amortised on a straightline basis over 3 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.