

# Advania Danmark A/S

Marielundvej 46D  
2730 Herlev  
Denmark

CVR no. 32 64 34 85

## Annual report 2021

The annual report was presented and approved at the  
Company's annual general meeting on

21 June 2022

DocuSigned by:

*Mikael Noaksson*

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Erik Mikael Karlsson Noaksson

Chairman of the annual general meeting

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Advania Danmark 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.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 activities and financial matters, of the results for the year and of the Company's financial position.


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

Herlev, 21 June 2022


Executive Board:

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Carsten Weis Hansen

Board of Directors:

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Gestur Gestsson  
Chairman

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Ægir Már Þórisson

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Lilja Brynja Skúladóttir

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Erik Mikael Karlsson  
Noaksson



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## Independent auditor's report

### To the shareholder of Advania Danmark A/S

#### Opinion

We have audited the financial statements of Advania Danmark A/S for the financial year 1 January – 31 December 2021 comprising 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 Company's assets, liabilities and financial position 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 responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



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## Independent auditor's report

- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 June 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Carsten Nielsen', is placed over a light blue rectangular background.

Carsten Nielsen  
State Authorised  
Public Accountant  
mne30212

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## Management's review

### Company details

Advania Danmark A/S  
Marielundvej 46D  
2730 Herlev  
Denmark

CVR no.:	32 64 34 85
Established:	26 November 2009
Registered office:	Herlev
Financial year:	1 January – 31 December

### Board of Directors

Gestur Gestsson, Chairman  
Ægir Már Þórisson  
Lilja Brynja Skúladóttir  
Erik Mikael Karlsson Noaksson

### Executive Board

Carsten Weis Hansen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 22 June 2022.

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## Management's review

### Financial highlights

DKK	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	238,683,636	148,575,750	145,924,514	158,381,061	161,875,675
Gross profit/loss	49,521,815	22,870,676	23,166,213	22,136,415	21,045,458
Profit/loss before financial income and expenses	16,906,632	2,118,766	5,813,991	5,119,215	5,559,041
Profit/loss from financial income and expenses	-301,039	-207,044	-161,012	142,111	544,768
Profit/loss for the year	12,944,218	1,459,550	4,381,747	4,283,507	4,831,205
<b>Total assets</b>					
Equity	65,860,070	49,484,263	46,916,235	40,938,410	37,334,552
Investment in property, plant and equipment	27,003,726	17,603,657	16,272,682	16,791,331	16,059,563
	2,113,456	759,812	531,510	2,703,000	710,946
<b>Ratios</b>					
Gross margin	20.75%	15.39%	15.88%	13.98%	13.00%
Operating margin	7.08%	1.43%	3.98%	0.00%	0.00%
Return on invested capital	0.89%	0.16%	0.44%	0.13%	0.03%
Current ratio	149.50%	128.74%	141.57%	157.07%	169.03%
Return on equity	58.04%	8.62%	26.50%	26.08%	32.40%
Solvency ratio	41.00%	35.57%	34.68%	41.02%	43.02%

The financial ratios have been calculated as follows:

The key figures and ratios for 2017-2018 have been restated due to the merger between Kompetera A/S and Kompetera Solutions ApS (now Advania Danmark A/S). Genia ApS has been merged into Advania Denmark as of 1st January 2021. The comparative figures from 2017-2020 has not been adjusted.

Return on invested capital 
$$\frac{\text{Operating profit/loss} * 100}{\text{Average invested capital}}$$

Current ratio 
$$\frac{\text{Current assets} * 100}{\text{Current liabilities}}$$

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} * 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year-end} * 100}{\text{Total equity and liabilities at year-end}}$$

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## Management's review

### Operating review

#### Principal activities

Advania Danmark A/S operates within wholesale trade of computers, peripherals, software etc., as well as consultancy, hosting and support services and other related business.

#### Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 12,944,218 as against DKK 1,459,550 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 27,003,726 as against DKK 17,603,657 at 31 December 2020.

#### *The past year and follow-up on last year's expected development*

For the financial year 2021, the Company expected a result before tax of between DKK 4-5 million, which was exceeded. .

The financial year 2021 has been an eventful and challenging year for Advania Danmark A/S. At the beginning of 2020, the Company was sold to the Scandinavian IT Group Advania. At that time the Company's name was Kompetera A/S.

Selling to the Advania Group gives a wide range of advantages and a large network of competencies to draw upon in other countries. Further, the Company is able to even better support international clients. Unfortunately, COVID-19 still affected Denmark and the rest of the world hard limiting the possibilities to meet and exchange knowledge and projects with the other Advania countries, for which reason the full effect of cooperation possibilities has not yet been achieved.

Further, Genia ApS has been merged into Advania Denmark as of 1st January 2021.

The Company had expected revenue in the area of DKK 170-180 million in 2021 against DKK 160-170 million in 2020. The Company exceeded expectations and Revenue came to DKK 239 million. .

In addition to the small increase in revenue, a positive observation is that the contract-based revenue has increased compared to 2020.

The year 2021 had been targeted to be a growth year, for which reason the Company had accepted larger fixed costs compared to 2020, e.g. in the form of salary. The expectations were exceeded, which is reflected in the increased result compared to 2020.

#### Particular risks

##### *Operating Risks*

As COVID-19 lockdowns, etc., still affect 2022, there is a special risk that this will affect the Company's results negatively if clients cease the positive development from Q4 2021 and consequently puts large projects and investments on hold.

Further, due to the worldwide COVID-19 situation, problems with delivering a large range of the Company's core products have occurred. The fear is that this will continue and aggravate during 2022 depending on the development in the world.



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## Management's review

### Operating review

#### *Financial risks*

##### *Currency risks*

Only a small part of the Company's activity is carried out in another currency, which is why the risk is limited. The Company does not enter into speculative currency transactions. Price risks thus relate to the operating activities, which is mainly not hedged.

##### *Liquidity risks*

Advania Danmark A/S is currently self-financing; hence the liquidity risks are very limited.

### Outlook

The continued impact of COVID-19 makes it hard to predict how the market will develop in 2022. The Company expects that despite the current lockdown, we will see a market that will normalize as part of the projects cannot be postponed but will have to be executed.

Therefore, the Company expects that the effect of the expansions will be seen in 2022 and a revenue increase of approx. 20% is expected.

### Knowledge resources

In order to constantly be able to sell high-quality products as well as provide high-quality service and advice, it is crucial that the company can recruit and retain employees with the necessary level of education.

### Environmental matters

There is no particular environmental impact from the Company's activity.

### Uncertainty regarding recognition and measurement

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

### Unusual circumstances

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 have not been affected by any unusual events other than the merger between Genia ApS as described in the section "The past year and follow-up on last year's expected development".

### Events after the balance sheet date

After the end of the financial year, no events have occurred that could significantly affect the company's financial position.

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## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2021	2020
<b>Revenue</b>		238,683,636	148,575,750
Cost of sales		-185,500,114	-123,504,768
Other operating income		32,639	-13,889
Other external costs		<u>-3,694,346</u>	<u>-2,186,417</u>
<b>Gross profit</b>		49,521,815	22,870,676
Staff costs	2	-30,181,438	-18,682,349
Depreciation, amortisation and impairment losses		<u>-2,433,745</u>	<u>-2,069,561</u>
<b>Profit before financial income and expenses</b>		16,906,632	2,118,766
Other financial income		191,467	102,725
Other financial expenses		<u>-492,506</u>	<u>-309,769</u>
<b>Profit before tax</b>		16,605,593	1,911,722
Tax on profit for the year	3	<u>-3,661,375</u>	<u>-452,172</u>
<b>Profit for the year</b>	4	<u><u>12,944,218</u></u>	<u><u>1,459,550</u></u>

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## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	5		
Goodwill		523,036	697,381
Software		<u>128,181</u>	<u>0</u>
		<u>651,217</u>	<u>697,381</u>
<b>Property, plant and equipment</b>	6		
Land and buildings		4,151,325	4,817,787
Fixtures and fittings, tools and equipment		<u>2,733,328</u>	<u>2,672,580</u>
		<u>6,884,653</u>	<u>7,490,367</u>
<b>Investments</b>			
Deposits		<u>339,702</u>	<u>339,702</u>
<b>Total fixed assets</b>		<u>7,875,572</u>	<u>8,527,450</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>2,561,926</u>	<u>1,564,350</u>
<b>Receivables</b>			
Trade receivables		39,814,018	29,641,567
Receivables from group entities		1,504,219	88,594
Other receivables		1,548,156	1,338,991
Prepayments	7	<u>620,626</u>	<u>1,578,674</u>
		<u>43,487,019</u>	<u>32,647,826</u>
<b>Cash at bank and in hand</b>		<u>11,935,553</u>	<u>6,744,637</u>
<b>Total current assets</b>		<u>57,984,498</u>	<u>40,956,813</u>
<b>TOTAL ASSETS</b>		<u><u>65,860,070</u></u>	<u><u>49,484,263</u></u>

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## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	8	2,125,000	2,000,000
Retained earnings		17,878,726	11,603,657
Proposed dividends for the financial year		7,000,000	4,000,000
<b>Total equity</b>		<u>27,003,726</u>	<u>17,603,657</u>
<b>Provisions</b>			
Provisions for deferred tax	9	71,418	67,477
<b>Total provisions</b>		<u>71,418</u>	<u>67,477</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	10	3,901,384	4,260,428
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities	10	1,110,503	759,427
Banks, current liabilities		26,302	17,480
Trade payables		20,661,856	17,503,455
Corporation tax		4,050,115	392,681
Other payables		5,440,774	5,341,783
Deferred income	11	3,593,992	3,537,875
		<u>34,883,542</u>	<u>27,552,701</u>
<b>Total liabilities other than provisions</b>		<u>38,784,926</u>	<u>31,813,129</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>65,860,070</u>	<u>49,484,263</u>
<b>Disclosure of material uncertainties regarding going concern</b>			
Contractual obligations, contingencies, etc.	12		
Mortgages and collateral	13		
Related party disclosures	14		

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### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2021	2,000,000	11,603,657	4,000,000	17,603,657
Cash capital increase	125,000	330,851	0	455,851
Ordinary dividends paid	0	0	-4,000,000	-4,000,000
Transferred over the profit appropriation	0	5,944,218	7,000,000	12,944,218
<b>Equity at 31 December 2021</b>	<b>2,125,000</b>	<b>17,878,726</b>	<b>7,000,000</b>	<b>27,003,726</b>

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## Financial statements 1 January – 31 December

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#### 1 Accounting policies

The annual report of Advania Danmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Advania AB.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

The net turnover is recognized in the profit and loss account when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services in accordance with IFRS 15 Revenue from Contracts with Customer.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, bad debts, office premises, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

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#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

##### Tax on profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group Companies. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

### Balance sheet

#### Intangible assets

##### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The amortisation period is 5 years.

##### *Software*

Software are measured at cost less accumulated amortisation and impairment losses. Software are amortised on a straightline basis over the remaining estimated life. The amoritisation period is 1-3 years.

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#### 1 Accounting policies (continued)

##### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	5-10 years
Fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

##### Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or the Company's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for the Company's other fixed assets

The lease liability is recognised in the balance sheet under debt and is adjusted for repayments of lease debt on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.



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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as investments are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Inventories

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

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### Equity

###### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

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## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### **Liabilities other than provisions**

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

##### **Deferred income**

Deferred income comprises advance invoicing regarding income in subsequent years.

##### **Other operating income**

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

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DKK	<u>2021</u>	<u>2020</u>	
<b>2 Staff costs</b>			
Wages and salaries	28,771,277	17,888,822	
Other social security costs	284,457	90,435	
Other staff costs	<u>1,125,704</u>	<u>703,092</u>	
	<u><u>30,181,438</u></u>	<u><u>18,682,349</u></u>	
Average number of full-time employees	<u>41</u>	<u>24</u>	
Remuneration of management has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.			
<b>3 Tax on profit for the year</b>			
Current tax for the year	3,657,434	410,796	
Deferred tax for the year	<u>3,941</u>	<u>41,376</u>	
	<u><u>3,661,375</u></u>	<u><u>452,172</u></u>	
<b>4 Proposed profit appropriation</b>			
Proposed dividends for the year	7,000,000	4,000,000	
Retained earnings	<u>5,944,218</u>	<u>-2,540,450</u>	
	<u><u>12,944,218</u></u>	<u><u>1,459,550</u></u>	
<b>5 Intangible assets</b>			
DKK	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
Cost at 1 January 2021	871,726	0	871,726
	<u>0</u>	<u>231,526</u>	<u>231,526</u>
Cost at 31 December 2021	<u>871,726</u>	<u>231,526</u>	<u>1,103,252</u>
Amortisation and impairment losses at 1 January 2021	-174,345	0	-174,345
Amortisation for the year	<u>-174,345</u>	<u>-103,346</u>	<u>-277,691</u>
Amortisation and impairment losses at 31 December 2021	<u>-348,690</u>	<u>-103,346</u>	<u>-452,036</u>
<b>Carrying amount at 31 December 2021</b>	<u><u>523,036</u></u>	<u><u>128,180</u></u>	<u><u>651,216</u></u>

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#### 6 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	5,484,249	5,815,506	11,299,755
Additions for the year	0	2,113,456	2,113,456
Disposals for the year	0	-1,837,660	-1,837,660
Cost at 31 December 2021	5,484,249	6,091,302	11,575,551
Depreciation and impairment losses at 1 January 2021	-666,462	-3,142,926	-3,809,388
Depreciation for the year	-666,462	-1,284,400	-1,950,862
Reversed depreciation and impairment losses on assets sold	0	1,069,352	1,069,352
Depreciation and impairment losses at 31 December 2021	-1,332,924	-3,357,974	-4,690,898
<b>Carrying amount at 31 December 2021</b>	<b>4,151,325</b>	<b>2,733,328</b>	<b>6,884,653</b>

#### 7 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### 8 Equity

The contributed capital consists of 2.125,000 shares of a nominal value of DKK 1 each.

All shares rank equally.

DKK	31/12 2021	31/12 2020
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#### 9 Deferred tax provision

Deferred tax at 1 January	-67,477	-7,986
Deferred tax adjustment for the year in the income statement	-3,941	-59,491
	-71,418	-67,477

#### 10 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

Lease obligations:

0-1 years	1,110,503	759,427
1-5 years	3,570,965	3,282,467
>5 years	330,418	977,960
<b>Total liabilities other than provisions</b>	<b>5,011,886</b>	<b>5,019,854</b>

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#### 11 Deferred income

Deferred income of DKK 3,594 thousand (2020: DKK 3,538 thousand) comprise payments received from customers regarding service agreements, that cannot be recognised until the subsequent financial year.

#### 12 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company participates in a Danish joint taxation arrangement with its parent company, Advania Holding. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to withholding tax on income taxes, interest, royalties and dividend for the jointly taxed companies.

#### 13 Mortgages and collateral

As security for debt to a bank, the Company has pledged a corporate mortgage of a nominal DKK 3,000,000.

#### 14 Related party disclosures

Advania Danmark A/S related parties comprise the following:

##### Control

Advania Holding A/S, c/o Advania Danmark A/S, Marielundvej 46D, 2730 Herlev

Advania Holding A/S holds the majority of the contributed capital in the Company.

Advania Danmark A/S is part of the consolidated financial statements of Advania AB, Frederiksborgsgatan 24, 117 43 Stockholm, Sweden, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statement of Advania AB can be obtained by contacting the Company at the address above.

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.