



## **Egiss A/S**

Topstykket 24, 3460 Birkerød

CVR no. 35 05 62 97

### **Annual report 2022**

Approved at the Company's annual general meeting on 15 March 2023

Chair of the meeting:

A handwritten signature in blue ink, appearing to be 'Søren Holm Pedersen', written over a horizontal dotted line.

Søren Holm Pedersen

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Consolidated financial statements and parent company financial statements 1 January - 31 December	17
Income statement	17
Balance sheet	18
Statement of changes in equity	20
Cash flow statement	22
Notes to the financial statements	23

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Egiss A/S 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

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

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

Birkerød, 15 March 2023  
Executive Board:

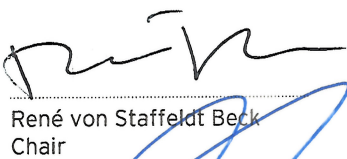


Jesper Ravn

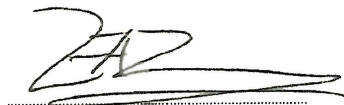


Søren Holm Pedersen

Board of Directors:



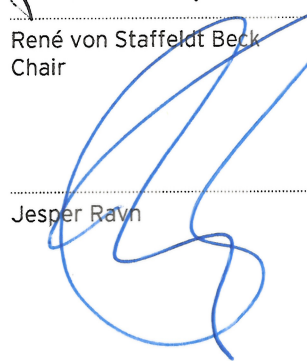
René von Staffeldt Beck  
Chair



Edmund Alfred Lazarus



Mark William Joseph



Jesper Ravn



Søren Holm Pedersen

## **Independent auditor's report**

To the shareholders of Egiss A/S

### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Egiss A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the 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.

### **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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Independent auditor's report

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

## Independent auditor's report

### 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.

Sønderborg, 15 March 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jan Thietje  
State Authorised Public Accountant  
mne31429

## Management's review

### Company details

Name	Egiss A/S
Address, Postal code, City	Topstykket 24, 3460 Birkerød
CVR no.	35 05 62 97
Registered office	Rudersdal
Financial year	1 January - 31 December
Board of Directors	René von Staffeldt Beck, Chair Edmund Alfred Lazarus Mark William Joseph Jesper Ravn Søren Holm Pedersen
Executive Board	Jesper Ravn Søren Holm Pedersen
Auditors	EY Godkendt Revisionspartnerselskab Nørre Havnegade 43, 6400 Sønderborg, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
<b>Key figures</b>					
Revenue	1,331,328	1,031,996	867,881	786,689	629,839
Gross profit	144,040	98,078	75,747	67,885	37,937
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	63,488	54,758	40,838	35,245	15,141
Operating profit/loss	51,756	49,625	36,243	30,996	11,202
Net financials	-2,775	-4,948	-4,836	1,301	-3,511
<b>Profit for the year</b>	<b>35,905</b>	<b>36,624</b>	<b>24,664</b>	<b>24,478</b>	<b>5,991</b>
<b>Balance sheet</b>					
Total assets	536,407	440,163	296,882	259,477	225,502
Investments in property, plant and equipment	-9,347	-3,197	-785	-1,117	-201
<b>Equity</b>	<b>157,686</b>	<b>88,036</b>	<b>49,254</b>	<b>42,701</b>	<b>18,174</b>
Interest-bearing debt	181,029	89,978	53,343	34,484	96,655
<b>Financial ratios</b>					
Operating margin	3.9%	4.8%	4.2%	3.9 %	1.6 %
Gross margin	10.8%	9.5%	8.7%	8.6%	6.0%
EBITDA-margin	4.8%	5.3%	4.7%	4.5%	2.4%
Equity ratio	29.4%	20.0%	16.6%	16.5%	8.1%
Return on equity	29.2%	53.4%	53.6%	80.4%	40.9%
Financial gearing	114.8%	102.2%	108.3%	80.8%	531.8%
<b>Average number of full-time employees</b>					
	133	69	55	48	36

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Financial gearing	$\frac{\text{Net interest-bearing debt} \times 100}{\text{Equity}}$



## Management's review

### Business review

The entity's primary activity is global commerce and distribution of IT equipment and related services.

### Financial review

The consolidated turnover of Egiss Group reached another record level at more than 1.3 billion DKK - achieving a net growth of 29% in 2022 compared to 2021. Gross margins increased by 47% in 2022 and EBITDA increased by 16%. The increase in both revenue and EBITDA is in line with the announced expectations in the annual report for 2021. Operating expenses were impacted by significant one-off costs associated with the acquisition of Refurb and integration costs. When excluding one-off costs, the development in EBITDA has been satisfactory.

Overall, management is satisfied with the sales and margin performance in a challenging macroeconomic environment.

There were many highlights of 2022 - but the main ones are:

- Acquisition of Refurb A/S whereby Egiss Group offers IT asset disposal (ITAD) solutions which support the sustainability agenda of our customers while also providing a reliable service of data erasure of the used IT devices.
- Success in winning new significant contracts with very large global corporations while at the same time retaining and further developing our existing customer base.
- Continuing our sponsorship of the NGO "Streetchildren" ("Gadens Børn") in Kolkata, India.

The management believes that Egiss' position in the market has been continuously strengthened due to the signing of additional new contracts with large global corporations and hence an extended awareness of Egiss' value proposition.

### Financial risks and use of financial instruments

The Group runs an international commercial company and is therefore influenced by market developments as well as political developments in various markets. Further, the Group's main operating risk relates to its ability to be strongly positioned in the markets in which its products and services are sold. To reduce those risks, the Group constantly seeks to expand its products and services as well as geographical reach.

Because of its operations, investments and financing, the Group is exposed to exchange and interest rate fluctuations. Management supervises the Group's financial risks.

### Impact on the external environment

The Group's environmental sustainability strategy is to reduce the CO2 footprint by working more systematically with relevant data and identify where and how to reduce the environmental impact. The overall environmental impact is limited because the Group's main activity is wholesale trading.

### Research and development activities

The Entity's products and services are developed regularly.

### Statutory CSR report

Egiss (Group) A/S has made the Statutory CSR report for the fiscal year 2022, according to §99a and §99b in the Danish law on Financial Statements.

This Statutory CSR report is part of the Management's Review in the Annual Report for 2022 and covers the period January 1st to December 31st, 2022.

Egiss (Group) A/S is primarily a global IT hardware reseller and logistics partner to international customers with global presence and a strong focus on IT standardization, consolidation, and globalization. In 2022 Egiss Print Solutions has worked hard to consolidate its print business providing both printers and print infrastructure solutions to the market. Further, Refurb A/S was acquired Mid-2022 adding another strong business capability to Egiss; trading in used IT hardware and reselling it through certified refurbishment processes to both private and public sectors. The synergies are expected to be fully harvested in 2023 with a new organization covering the complete business being implemented start 2023.

## Management's review

Having added both print and refurbished IT hardware, Egiss' vision of being world leading and the most preferred IT logistics service provider for truly global companies and their partners has been strengthened even further, and the strategy is to be able to provide all product categories and services from to all Egiss customers based on the trademarks of delivering IT devices and services from multiple OEMs and vendors:

- ▶ That are configured and ready-to-use.
- ▶ To all our customers' locations around the world.
- ▶ At the same global price including freight.
- ▶ Without hidden or surprising costs.
- ▶ Based on our customers' negotiated OEM prices or negotiated by Egiss.
- ▶ Within a few days from receiving the orders.
- ▶ Invoiced in major global currencies.

*And thus, continue to offer - One Partner - One Contract - One Price*

Egiss continues to support UN Global Compact (UNGC) and its 10 Principles covering the 17 related SDGs. The CSR report is referring to the SDGs that Egiss has focused on in 2022.

The 17SDGs are:



In 2022 Egiss (Group) A/S has focused on:

## Management's review

### Human rights

Egiss (Group) A/S pledges to support and respect the protection of internationally proclaimed human rights, and to make sure that we are not complicit in human right abuses.

#### ▼ Policy

Egiss (Group) A/S supports and respects the Universal Declaration of Human Rights and will not do business with neither partners nor customers violating the fundamental human rights.

#### ▼ Focus and Actions 2022

Supporting Street Children in Kolkata, India (covering SDG 1, 2, 3, 4 and 5)

Egiss is a major donator to Street Children honouring its pledge to support the organisation for 3 years. Beside the financial support, Egiss has also supported the work with mobile phones and other IT equipment when needed.

Partnerships for the Goals (covering SDG 17)

Egiss has initiated talks with HP Life Foundation on how Street Children can become part of the program.

#### ▼ Results 2022

Supporting the 12 projects run by Street Children in Kolkata, covering 3 schools, a girls' home, mobile health clinics, 3 activity centres and the financial support of +50 children living at a boarding school outside of Kolkata.

HP Life Foundation has expressed a wish to make a joint project sponsoring Street Children. A dialogue with Street Children has been initiated about the possibilities and a suitable project is to be identified - probably supporting young mothers in setting up small businesses to support themselves and their families.

Further, a number of Egiss employees have worked as volunteers at various charity events organised by Street Children, and it has been decided that going forward Egiss will compensate the time used for charitable work for Street Children.

#### ▼ Significant Risks

No significant risks have been identified.

#### ▼ Opportunities

To secure a more sustainable effect of the social work done by Street Children.

With the HP Partnership fostering a small entrepreneurship program for young families. This will also include training of employees at Street Children in how to support the program.

#### ▼ Future

Egiss expects to continue the partnership with HP Life Foundation and develop partner-ships with more partners to promote human rights.

Diversity and bias attention - be it in relation to gender, age, skills - will be more in focus, and internal courses and training are to be made.

In addition, Egiss continues the support to UNICEF as part of the "UNICEF Business Support" program. In South Africa Egiss also co-sponsors projects supporting "Disabled Africa Females" as part of the business set-up.

## Management's review

### Labour rights

Egiss (Group) A/S pledges to uphold the freedom of association and the effective recognition of the right to collective bargaining, to eliminate all forms of forced and compulsory labour, to effectively abolish child labour, and to eliminate discrimination in respect of employment and occupation.

#### ▼ Policy

Egiss (Group) A/S supports and respects the fundamental principles and rights at work as set out by the ILO and national laws. We make sure that all Egiss (Group) A/S employees have contracts, and we have an Employee Policy that clearly states their rights, compensations, and benefits.

#### ▼ Focus and Actions 2022 (covering SDG 3, 4, and 8)

Revising the Employee Handbook that governs all Egiss (Group) A/S and write additional employee Handbooks that take national law, regulations, and customs into consideration.

Relevant courses for all employees when needed.

Include co-workers with special needs.

Securing a healthy work/life balance.

Making a mandatory Work Place Assessment (ArbejdsPladsVurdering).

#### ▼ Results 2022

With the integration of Refurb, the number of co-workers with special needs ("flex jobbere") has gone from 1 to 7.

Internal language and communication courses designed to improve employers' skills for + 30 employees.

Leadership Courses for 20 team managers.

Health & Safety training for 5 employees, all part of the mandatory Work Environment Committee ("Arbejds miljø-organisation").

Principles on "working-from-home" have been formulated by team managers and the management group with the intent of creating a healthy work environment where social capital and good social relations are motivators and factors in striking a balance between individual needs and a strong social "glue" with a supportive work culture.

A Work Place Assessment ("Arbejdspladsvurdering") for Egiss DK where almost 95% of the employees replied and gave their input on how to improve the working environment. Overall, the score is positive on both the physical and the mental work environment, and the Work Environment Committee has presented the results including things to be handled in 2023 for their co-workers and for the management group. This work continues into 2023.

#### ▼ Significant Risks

Workload is at times very high which can tip the work/life balance negatively. This needs to be attended to all the time making sure that workload is matched by having the right number of the right employees with the right skills.

Being able to attract new talented employees relies on several factors including the possibility of continuous training in various relevant fields and on being perceived as an inclusive company that cares for its employees also those with special needs. This is to be reflected when hiring new employees.

## Management's review

### ➤ Opportunities

Making Egiss an even more inclusive workplace also for qualified co-workers who can be challenged due to various circumstances.

A highly qualified group of employees who are motivated by developing new capabilities.

### ➤ Future

This work continues in 2023.

Audits securing that employee contracts and right are compliant with national and international regulations - in 2023 focus will be on Indian and US hubs.

## Environment

**Egiss (Group) A/S pledges to support a precautionary approach to environmental changes, to undertake initiatives to promote greater environmental responsibility, and to encourage the development and diffusion of environmentally friendly technologies.**

### ➤ Policy

Egiss (Group) A/S seeks to reduce and minimize our impact on the climate and the environmental consequences of our business activities. We work on our internal processes - garbage, recycling, electricity, reduce waste of food etc., and on our impact receiving and sending goods around the world. We seek partnership wherever possible with manufacturers, customers, and freight partners.

### ➤ Focus and Actions 2022 (covering SDG 7, 9, 12, 13 and 17)

Recycling of material and garbage from our premises - and a continuous effort to reduce the amount of waste.

Reducing the amount of plastic used in packing.

Optimize energy consumption at Egiss premises - reducing the use of electricity and heating.

Improve availability and quality of data used to measure carbon footprint for both Scope 1, 2 and 3.

Establish partnerships with relevant partners to measure carbon footprint in general (scope 1, 2 and 3) in order to document it and hence identify actions to reduce it.

## Management's review

### ▼ Results 2022

Egiss joined the Science Based Targets Initiative (SBTi) having committed to reduce scope 1 and scope 2 Green House Gas emissions with 38% by 2030 from a 2021 base year, and to measure and reduce its scope 3 emissions.

95% of plastic, cardboard/paper are recycled using local recycling stations.

For more than 80% of boxes sent, plastic has been replaced with renewable paper as package filling.

The plastic bags used in packing is made of at least 80% recycled plastic material.

The new office and warehouse & deployment centre in Hinnerup (to be fully operational February 2023) is built according to newest legislation on energy-saving buildings: there are solar panels on the roof, it has electric charging for cars, all lights are LED and sensor controlled, and it is heated by district heating using organic materials (straw). The implications will take fully effect in 2023.

The emissions calculations based on the 2021 numbers were improved compared to the year before due to better data quality. It is however still a challenge to retrieve and get qualified and validated data, especially from manufacturers and freight partners.

Internationally recognised methods of gathering and calculating emissions have been explored and a partner has been found. Next step is to launch the agreed pilot project in 2023.

Partnerships and closer collaboration with various stakeholders have been made eg with Lenovo who has appointed an Egiss employee to be part of the Lenovo 360 Circle - a community aimed at breaking down barriers and encourage collaboration and awareness to accelerate sustainable business models supporting climate change mitigation efforts.

The acquisition of Refurb A/S mid 2022 has opened new opportunities offering refurbishment, recycling and reuse of IT equipment for our customers. With better data we will be able to assist customers in measuring and calculating emissions in the entire product lifecycle of their IT hardware. More work on validating and qualifying data is still needed.

### ▼ Significant Risks

Environmental concerns and demands are now top of mind of existing and potential customers, and Egiss can lose new deals if we do not have reliable and validated data and evidence to document our sustainability commitments and remain best in class.

Manufacturers and other stakeholders will not engage with Egiss if we are not a reliable partner with regards to having a clear, documented, and reliable sustainability profile.

### ▼ Opportunities

Forging new partnerships with manufacturers, freight companies and other relevant stakeholders will broaden our potential customer base with regards to new industries and new geographical regions not yet covered.

Attracting new employees who are motivated by the environmental commitments made eg to the SBTi - and by working for a company with a strong ESG profile.

### ▼ Future

Egiss joined Science Based Targets Initiative (SBTi) having committed to reduce Scope 1 and Scope 2 GhG emissions with 38% by 2030 from 2021 base year. Further, Egiss has committed to measure and reduce Scope 3 emissions.

## Management's review

### Anti-Corruption

Egiss (Group) A/S pledges to work against corruption in all its forms, including extortion and bribery (10).

#### ▶ Policy

Egiss (Group) A/S has zero-tolerance towards corruption in any form. An explicit and clear Compliance Programme sets the standards and guidelines on dos and don'ts for employees, customers, and business partners. Egiss Compliance Programme including Anti-Bribery & Corruption Policy, and Anti-Money Laundering and Export Control Policy can be found at

[www.Egiss.net](http://www.Egiss.net)

#### ▶ Focus and Actions 2022 (covering SDGs 16 and 17)

Monitor and secure that our zero-tolerance policy is followed.

Share the Anti-Bribery/Corruption Policy with suppliers as part of the Egiss Compliance Programme as part of a continuous effort to inform about the programme.

#### ▶ Results for 2022

No cases of corrupt practices have been identified.

Egiss Compliance Programme, including the Anti-Bribery / Corruption Policy, was shared with suppliers worldwide.

#### ▶ Significant Risks

Without a clear, explicit, and unambiguous Code of Conduct and Anti-Bribery Policy we will be excluded from future tenders.

Employees can - unknowingly - act inappropriately if the Code of Conduct and the Anti-Bribery Policy is not clearly communicated and implemented.

#### ▶ Opportunities

Egiss (Group) A/S will be a more attractive business partner for customers and suppliers.

#### ▶ Future

Egiss (Group) A/S will continue to inform employees, suppliers and other partners about our Code of Conduct and Anti-Bribery Policy, and we will keep monitoring incidents of corruption of our business.

A whistleblower scheme is to be implemented in 2023.

In relation to above mentioned actions and results, Egiss has been awarded a Silver Medal in recognition of our sustainability achievement by EcoVadis, an internationally recognized sustainability ratings provider (read more at [www.ecovadis.com](http://www.ecovadis.com)). The assessment is made from a multitude number of data and actions covering Environment, Labor & Human Rights, Ethics and Sustainable Procurement. The Silver Medal is an improvement from the Bronze Medal awarded the year before, and the ambition is to keep improving the rating over the years to come.

## Management's review

### Account of the gender composition of Management

#### The Board of Directors

##### ► Status - Board of Directors in 2022

The board of directors at Egiss (Group) A/S consists of 5 men, reflecting the ownership structure.

The company wants to achieve an equal distribution on the board of directors of 50/50 within 2026:

2023: 20/80 - 2024: 20/80 - 2025: 40/60 - 2026: 50/50

During accounting periods, no changes have been made to the Board of Directors.

#### Other Management levels

##### ► Status - Other Management Levels in 2022

The management group (first level) was expanded in November 2022 with a Group Chief Digital Officer bringing the number of the group to from 5 to 6 men and 1 woman.

The company wants to achieve an equal distribution in the management group of 40/60 within 2026.

2023: 15/85 - 2024: 30/70 - 2025: 30/70 - 2026: 40/60

The group of 10 team leaders (second level) has a 50/50 split between women and men.

Overall, the gender distribution in Egiss (Group) A/S is 62% men and 38% women.

##### ► Policy

Egiss (Group) A/S works to promote a diversified organization and management team as it contributes to the positive dynamics in the daily work. We focus on rewarding the employees who perform, and we also take seniority and experience into account when promoting employees. Discrimination because of gender, age, religion, nationality etc. is not acceptable, and we consider it discriminatory if a candidate is disregarded based on these factors. The minority gender should at any time have the same opportunities for career and management positions as everyone else based on qualifications, performance, seniority etc. Encouraging an open-minded and unbiased culture, all employees are given equal opportunities to use their skills at the best of their efforts and thus support the ambitions of giving everyone equal career opportunities regardless of gender, age etc.

Egiss (Group) A/S encourages a reasonable representation of women in the organization. The definition of "reasonable" will at any time depend on the context of the specific vacancy as well as on the proportion of women with the right competences, education, ambitions etc. applying for the specific job.

##### ► Focus

With regards to new hires, Egiss (Group) A/S continues to encourage a reasonable representation of women in the organization. The definition of "reasonable" will at any time depend on the context of the specific vacancy as well as on the proportion of women with the right competences, education, ambitions etc. applying for the specific job.

Egiss Leadership Programme to include all team leaders.



## Management's review

### ▼ Results

In 2022 Egiss (Group) A/S has signed 19 full-time employees, 8 women and 11 men, at various positions across the organization.

Egiss Leadership Programme was launched in Spring 2022 and included 10 team leaders. Another group of 10 team leaders started their leadership course in October 2022. The feedback has been extremely positive, and a series of follow-up seminars and shorter courses has been planned for 2023.

### ▼ Significant Risks

If Egiss (Group) A/S does not pay attention to having a diversified group of employees, we will miss out on talented employees.

### ▼ Opportunities

With a diversified group of employees, Egiss (Group) A/S will get competencies that can contribute to a continuous development of both people, culture, and the business.

### ▼ Future

Egiss (Group) A/S will continue its effort to promote women and underrepresented groups in managerial positions.

Female employees are encouraged to apply for internal vacancies as way of gaining more experience to further their competencies for future managerial positions.

Egiss Academy will have a special focus on training more women giving the skills to take on managerial positions.

## Data ethics

Egiss A/S does not have a policy for data ethics at present, however preparation for and implementation of the policy is underway.

We will ensure compliance with all data protection rules and regulation and keep a strong focus on the principles of equality, non-discrimination, right to privacy and transparency.

A policy for data ethics is expected to be implemented during 2023.

## Outlook

The management expects continued growth in 2023 in sales in the range of 20 - 25% and gross margins and EBITDA are also expected to increase in the range of 20-25% despite a continued challenging macroeconomic environment. Management continues to focus on adding additional capabilities to our offering to the customers either through acquisitions or partnerships. The geographical expansion will also continue with full blown operational set ups in Mexico and Brazil.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
3	Revenue	1,331,328	1,031,996	1,041,397	850,119
	Cost of sales	-1,110,128	-1,055,675	-867,230	-869,019
	Change in inventories of finished goods and work in progress	-33,114	149,573	-31,325	124,801
	Work performed for own account and capitalised	299	0	0	0
	Other operating income	23	71	5,370	71
	Other external expenses	-44,368	-27,887	-35,703	-23,824
	<b>Gross profit</b>	<b>144,040</b>	<b>98,078</b>	<b>112,509</b>	<b>82,148</b>
4	Staff costs	-80,552	-43,320	-59,955	-37,122
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-11,708	-5,063	-6,751	-3,878
	<b>Profit before net financials</b>	<b>51,780</b>	<b>49,695</b>	<b>45,803</b>	<b>41,148</b>
	Income from investments in group enterprises	0	0	2,606	8,914
6	Financial income	9,538	2,393	9,439	1,653
	Financial expenses	-12,313	-7,341	-11,308	-6,962
	<b>Profit before tax</b>	<b>49,005</b>	<b>44,747</b>	<b>46,540</b>	<b>44,753</b>
7	Tax for the year	-13,100	-8,123	-10,635	-8,129
	<b>Profit for the year</b>	<b>35,905</b>	<b>36,624</b>	<b>35,905</b>	<b>36,624</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
		<b>ASSETS</b>			
		<b>Fixed assets</b>			
8	<b>Intangible assets</b>				
	Completed development projects	12,073	5,906	10,330	5,906
	Acquired intangible assets	0	183	0	183
	Goodwill	77,187	14,063	5,705	8,584
		<u>89,260</u>	<u>20,152</u>	<u>16,035</u>	<u>14,673</u>
9	<b>Property, plant and equipment</b>				
	Fixtures and fittings, other plant and equipment	11,276	3,207	9,709	3,151
	Leasehold improvements	245	90	0	90
		<u>11,521</u>	<u>3,297</u>	<u>9,709</u>	<u>3,241</u>
10	<b>Investments</b>				
	Investments in group enterprises	0	0	123,188	42,682
	Deposits, investments	636	408	0	178
		<u>636</u>	<u>408</u>	<u>123,188</u>	<u>42,860</u>
	<b>Total fixed assets</b>	<u>101,417</u>	<u>23,857</u>	<u>148,932</u>	<u>60,774</u>
	<b>Non-fixed assets</b>				
	<b>Inventories</b>				
	Finished goods and goods for resale	200,489	217,713	150,439	181,763
	Prepayments for goods	264	0	0	0
		<u>200,753</u>	<u>217,713</u>	<u>150,439</u>	<u>181,763</u>
	<b>Receivables</b>				
	Trade receivables	194,223	129,844	145,622	95,063
	Receivables from group enterprises	13,288	11,058	51,035	35,273
13	Deferred tax assets	0	1,286	0	0
	Other receivables	15,638	17,164	8,025	15,097
11	Prepayments	255	683	0	683
		<u>223,404</u>	<u>160,035</u>	<u>204,682</u>	<u>146,116</u>
	<b>Cash</b>	<u>10,833</u>	<u>38,558</u>	<u>3,220</u>	<u>14,911</u>
	<b>Total non-fixed assets</b>	<u>434,990</u>	<u>416,306</u>	<u>358,341</u>	<u>342,790</u>
	<b>TOTAL ASSETS</b>	<u>536,407</u>	<u>440,163</u>	<u>507,273</u>	<u>403,564</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2022	2021	2022	2021
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
12	Share capital	500	500	500	500
	Net revaluation reserve according to the equity method	0	0	9,975	6,850
	Reserve for development costs	0	0	8,056	4,606
	Fair value reserve exchange rate adjustment	1,391	46	0	0
	Retained earnings	155,795	87,490	139,155	76,080
	<b>Total equity</b>	<b>157,686</b>	<b>88,036</b>	<b>157,686</b>	<b>88,036</b>
	<b>Provisions</b>				
13	Deferred tax	1,493	0	2,499	1,366
	Other provisions	38	0	0	0
	<b>Total provisions</b>	<b>1,531</b>	<b>0</b>	<b>2,499</b>	<b>1,366</b>
	<b>Liabilities other than provisions</b>				
14	<b>Non-current liabilities other than provisions</b>				
	Bank debt	32,000	0	32,000	0
	Lease liabilities	4	0	0	0
	Deposits	0	35	0	35
	Other payables	6,615	6,486	5,626	6,487
		<b>38,619</b>	<b>6,521</b>	<b>37,626</b>	<b>6,522</b>
	<b>Current liabilities other than provisions</b>				
14	<b>Short-term part of long-term liabilities other than provisions</b>				
	Bank debt	8,107	0	8,000	0
	Prepayments received from customers	151,862	128,535	148,895	125,868
	Trade payables	1,791	4,922	1,791	4,922
	Payables to group enterprises	150,696	186,087	123,308	145,974
	Corporation tax payable	755	750	2,997	3,233
	Other payables	8,533	6,870	9,503	6,941
15	Deferred income	12,328	11,995	10,525	14,255
		4,499	6,447	4,443	6,447
		<b>338,571</b>	<b>345,606</b>	<b>309,462</b>	<b>307,640</b>
	<b>Total liabilities other than provisions</b>	<b>377,190</b>	<b>352,127</b>	<b>347,088</b>	<b>314,162</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>536,407</b>	<b>440,163</b>	<b>507,273</b>	<b>403,564</b>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting
- 20 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group			
		Share capital	Fair value reserve exchange rate adjustment	Retained earnings	Total
<b>Note</b>	<b>DKK'000</b>				
	Equity at 1 January 2021	500	-2,111	50,866	49,255
	Transfer through appropriation of profit	0	0	36,624	36,624
	Adjustment of investments through foreign exchange adjustments	0	2,157	0	2,157
	<b>Equity at 1 January 2022</b>	<b>500</b>	<b>46</b>	<b>87,490</b>	<b>88,036</b>
	Transfer through appropriation of profit	0	0	35,905	35,905
	Adjustment of investments through foreign exchange adjustments	0	1,345	0	1,345
	Contribution from group	0	0	32,400	32,400
	<b>Equity at 31 December 2022</b>	<b>500</b>	<b>1,391</b>	<b>155,795</b>	<b>157,686</b>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity (continued)

		Parent company					
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Fair value reserve exchange rate adjustment	Retained earnings	Total
		500	0	4,092	-2,111	46,774	49,255
20	Transfer, see "Appropriation of profit"	0	6,804	514	0	29,306	36,624
	Equity transfers to reserves	0	-2,111	0	2,111	0	0
	Adjustment of investments through foreign exchange adjustments	0	2,157	0	0	0	2,157
	<b>Equity at 1 January 2022</b>	500	6,850	4,606	0	76,080	88,036
20	Transfer, see "Appropriation of profit"	0	1,780	3,450	0	30,675	35,905
	Adjustment of investments through foreign exchange adjustments	0	1,345	0	0	0	1,345
	Contribution from group	0	0	0	0	32,400	32,400
	<b>Equity at 31 December 2022</b>	500	9,975	8,056	0	139,155	157,686

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Cash flow statement

Note	DKK'000	Group	
		2022	2021
	Profit for the year	35,905	36,624
21	Adjustments	28,036	18,466
	Cash generated from operations (operating activities)	63,941	55,090
22	Changes in working capital	-81,556	-67,530
	Cash generated from operations (operating activities)	-17,615	-12,440
	Interest received, etc.	9,538	2,393
	Interest paid, etc.	-12,313	-7,341
	Income taxes paid	-9,261	-9,625
	<b>Cash flows from operating activities</b>	<b>-29,651</b>	<b>-27,013</b>
	Additions of intangible assets	-9,409	-4,015
	Disposals of intangible assets	16	0
	Additions of property, plant and equipment	-9,347	-3,093
	Disposals of property, plant and equipment	3,008	543
23	Acquisition of enterprises and activities	-77,000	-2,500
	Additions of financial instruments	0	-178
	<b>Cash flows to investing activities</b>	<b>-92,732</b>	<b>-9,243</b>
	Contribution from group	32,400	0
	Proceeds of long-term liabilities	40,000	0
	Proceeds of debt to credit institutions	23,327	40,378
	Repayments, long-term liabilities	-1,069	0
	Other repayments, long-term liabilities	0	-378
	<b>Cash flows from financing activities</b>	<b>94,658</b>	<b>40,000</b>
	<b>Net cash flow</b>	<b>-27,725</b>	<b>3,744</b>
	Cash and cash equivalents at 1 January	38,558	34,814
24	<b>Cash and cash equivalents at 31 December</b>	<b>10,833</b>	<b>38,558</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Egiss A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

The companies Scriptor Technology A/S and Documatic ApS have merged with Egiss A/S as of 01.01.2022. The group method is applied for the combination of the entities.

#### Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Reporting currency

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

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

#### External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

#### Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

#### Foreign currency translation

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

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

#### *Foreign group entities*

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

### Income statement

#### Revenue

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

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

#### Other operating income

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

##### Cost of sales

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

##### Other external expenses

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

##### Staff costs

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

##### Amortisation/depreciation

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

The company's investments in subsidiaries and goodwill are considered to be of strategic importance to the Group. Taking into account the Group's expected plans for increasing activities and earnings, the financial lifetime of goodwill has been set at 10 years.

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

Completed development projects	3-4 years
Acquired intangible assets	3 years
Goodwill	10 years

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

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

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

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	3-5 years

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

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

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

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

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

##### Balance sheet

##### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is useful life which is fixed based on the experience gained by Management for each business area. Useful life is based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognized as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortization period used is 10 years. Amortisation period is expected contract duration. Goodwill is written down to the lower of recoverable amount and carrying amount.

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

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

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 2 years and cannot exceed 5 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 10 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

#### Property, plant and equipment

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

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

#### Leases

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

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

#### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains and losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

#### Impairment of fixed assets

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

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

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

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

#### Receivables

Receivables are measured at amortised cost.

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

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

#### Prepayments

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

###### *Translation reserve*

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

###### *Proposed dividends*

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

##### Income taxes

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

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

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

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

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### Segment information

The allocation of revenue to geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

#### 2 Events after the balance sheet date

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



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	Group		Parent company	
	2022	2021	2022	2021
<b>3 Segment information</b>				
<b>Breakdown of revenue by geographical segment:</b>				
Americas	242,099	127,870	91,254	40,439
Apac	172,447	93,617	64,353	61,329
Emea	916,782	810,509	885,790	748,351
	<u>1,331,328</u>	<u>1,031,996</u>	<u>1,041,397</u>	<u>850,119</u>
<b>4 Staff costs</b>				
Wages/salaries	66,438	36,746	48,585	31,280
Pensions	6,357	3,087	4,898	2,435
Other social security costs	1,498	456	750	376
Other staff costs	6,259	3,031	5,722	3,031
	<u>80,552</u>	<u>43,320</u>	<u>59,955</u>	<u>37,122</u>
Average number of full-time employees	<u>133</u>	<u>69</u>	<u>65</u>	<u>54</u>
Total remuneration to Group Management: DKK 2,339 thousand (2021: DKK 1,480 thousand)				
<b>Parent company</b>				
Total remuneration to Management: DKK 2,339 thousand (2021: DKK 1,480 thousand)				
<b>5 Amortisation/depreciation of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	10,130	4,590	5,493	3,263
Depreciation of property, plant and equipment	1,578	473	1,258	615
	<u>11,708</u>	<u>5,063</u>	<u>6,751</u>	<u>3,878</u>
<b>6 Financial income</b>				
Interest receivable, group entities	0	0	102	86
Other financial income	9,538	2,393	9,337	1,567
	<u>9,538</u>	<u>2,393</u>	<u>9,439</u>	<u>1,653</u>
<b>7 Tax for the year</b>				
Estimated tax charge for the year	10,231	8,016	9,503	7,714
Deferred tax adjustments in the year	2,896	107	1,159	415
Tax adjustments, prior years	-27	0	-27	0
	<u>13,100</u>	<u>8,123</u>	<u>10,635</u>	<u>8,129</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Intangible assets

DKK'000	Group			
	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	22,719	4,174	20,495	47,388
Additions	11,393	0	70,100	81,493
Disposals	-12,325	0	-2,240	-14,565
Cost at 31 December 2022	21,787	4,174	88,355	114,316
Impairment losses and amortisation at 1 January 2022	16,813	3,991	6,432	27,236
Amortisation for the year	5,211	183	4,736	10,130
Amortisation and impairment losses of disposals for the year	-12,310	0	0	-12,310
Impairment losses and amortisation at 31 December 2022	9,714	4,174	11,168	25,056
Carrying amount at 31 December 2022	12,073	0	77,187	89,260

#### Completed development projects

Completed and ongoing development projects include the development of the Egiss Group's internal IT systems, including integration, implementation and development of new systems and platforms.

DKK'000	Parent company			
	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	22,719	4,174	8,730	35,623
Additions	9,111	0	0	9,111
Disposals	-12,325	0	-2,240	-14,565
Cost at 31 December 2022	19,505	4,174	6,490	30,169
Impairment losses and amortisation at 1 January 2022	16,813	3,991	146	20,950
Amortisation for the year	4,672	183	639	5,494
Amortisation and impairment losses of disposals for the year	-12,310	0	0	-12,310
Impairment losses and amortisation at 31 December 2022	9,175	4,174	785	14,134
Carrying amount at 31 December 2022	10,330	0	5,705	16,035

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Property, plant and equipment

DKK'000	Group		
	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	5,232	212	5,444
Foreign exchange adjustments	15	0	15
Additions	10,143	287	10,430
Disposals	-2,188	-211	-2,399
Cost at 31 December 2022	13,202	288	13,490
Impairment losses and depreciation at 1 January 2022	2,025	122	2,147
Foreign exchange adjustments	8	0	8
Depreciation	1,446	132	1,578
Depreciation and impairment of disposals	-1,553	-211	-1,764
Impairment losses and depreciation at 31 December 2022	1,926	43	1,969
Carrying amount at 31 December 2022	11,276	245	11,521

DKK'000	Parent company
	Fixtures and fittings, other plant and equipment
Cost at 1 January 2022	5,045
Additions	8,319
Disposals	-1,877
Cost at 31 December 2022	11,487
Impairment losses and depreciation at 1 January 2022	1,894
Depreciation	1,231
Depreciation and impairment of disposals	-1,347
Impairment losses and depreciation at 31 December 2022	1,778
Carrying amount at 31 December 2022	9,709

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Investments

	Group
	Deposits, investments
DKK'000	
Cost at 1 January 2022	408
Foreign exchange adjustments	38
Additions	368
Disposals	-178
Cost at 31 December 2022	636
Carrying amount at 31 December 2022	636

#### Group

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>					
Egiss America Inc.	Inc.	USA	100.00%	31,347	2,789
Egiss IT Africa Pty	Pty	South Africa	100.00%	-462	-93
Egiss Hong Kong	Ltd	Hong Kong	100.00%	9,020	2,256
Egiss Switzerland GmbH	GmbH	Switzerland	100.00%	1,559	-735
Egiss Indonesia	-	Indonesia	100.00%	-922	-176
Egiss India	Ltd	India	100.00%	4,783	2,419
Egiss Do Brasil	Ltda	Brazil	100.00%	135	-128
The Egiss Mexico	-	Mexico	100.00%	-193	-211
Refurb A/S	A/S	Hornslet, Denmark	100.00%	7,523	622
Refurb Holding	ApS	Birkerød, Denmark	100.00%	17,035	-24

#### Parent company

	Investments in group enterprises	Deposits, investments	Total
DKK'000			
Cost at 1 January 2022	35,933	178	36,111
Additions	77,281	0	77,281
Disposals	0	-178	-178
Cost at 31 December 2022	113,214	0	113,214
Value adjustments at 1 January 2022	6,749	0	6,749
Foreign exchange adjustments	1,345	0	1,345
Dividend received	-751	0	-751
Profit/loss for the year	2,631	0	2,631
Value adjustments at 31 December 2022	9,974	0	9,974
Carrying amount at 31 December 2022	123,188	0	123,188

The undepreciated value of goodwill amounts to DKK 71,481 thousand

#### 11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	Parent company	
	2022	2021
<b>12 Share capital</b>		
Analysis of the share capital:		
500,000 shares of DKK 1.00 nominal value each	500	500
	<u>500</u>	<u>500</u>

The parent's share capital has remained DKK 500 thousand over the past 5 years.

DKK'000	Group		Parent company	
	2022	2021	2022	2021
<b>13 Deferred tax</b>				
Deferred tax at 1 January	-1,286	-1,467	1,366	951
Recognized in the income statement	2,896	-16	1,133	415
Recognized in equity	-117	197	0	0
<b>Deferred tax at 31 December</b>	<u>1,493</u>	<u>-1,286</u>	<u>2,499</u>	<u>1,366</u>
Deferred tax relates to:				
Intangible assets	2,656	1,375	2,273	1,340
Property, plant and equipment	280	-91	226	26
Inventories	540	0	0	0
Provisions	48	0	0	0
Tax loss	-2,031	-2,570	0	0
	<u>1,493</u>	<u>-1,286</u>	<u>2,499</u>	<u>1,366</u>

The Group has recognized deferred tax of DKK 2,032 thousand regarding losses. The recognition is based on the Group earning a profit of more than DKK 8,535 thousand in the US over the next 3-5 years. It is the management's estimation that the result will follow the development of recent years and the loss carried forward is expected to be applied within a five-year period.

### 14 Non-current liabilities other than provisions

DKK'000	Group			
	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	40,000	8,000	32,000	0
Lease liabilities	111	107	4	0
Other payables	6,615	0	6,615	998
	<u>46,726</u>	<u>8,107</u>	<u>38,619</u>	<u>998</u>

Some of the long-term debt has not a set due date.

### 15 Deferred income

Relates to deferred revenue.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 16 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	Group		Parent company	
	2022	2021	2022	2021
Rent and lease liabilities	264,697	210,995	256,284	201,877

##### Parent company

The Company is jointly taxed with its parent, Blue Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after March 17, 2021.

#### 17 Collateral

Bank debt is secured by way of a deposited floating charge nom. 136 MDKK in accounts receivables, simple claims and manufactured goods for sale, other fixtures and goodwill.

The Group has provided a bank guarantee of DKK 73,908 thousand to suppliers.

The Group has guaranteed for a subsidiarys debts to credit institutions. The carrying amount of the debt amount to DKK 1,300 thousand at the balance sheet date.

The Group has guaranteed for a subsidiarys supplier debt, where the trade debt amounts to DKK 7,178 thousand, at the balance sheet date.

##### Parent company

Bank debt is secured by way of a deposited floating charge nom. 125 MDKK in accounts receivables, simple claims and manufactured goods for sale, other fixtures and goodwill.

The Company has provided a bank guarantee of DKK 66,238 thousand to suppliers.

The Company has guaranteed for a subsidiarys debts to credit institutions. The carrying amount of the debt amount to DKK 1,300 thousand at the balance sheet date.

A guarantee has been provided for affiliated companys balances with supplier. The carrying amount of the subsidiaries' debt to supplier amount to DKK 7,178 thousand at the balance sheet date.

The Company has provided a bank guarantee of DKK 7,670 thousand to suppliers in subsidiaries and a bank gurantee of DKK 4,216 thousand to a credit institution in a subsidiary company.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 18 Related parties

##### Group

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Blue Holding ApS	Birkerød, Denmark	www.cvr.dk

##### Related party transactions

DKK'000	<u>2022</u>	<u>2021</u>
<b>Group</b>		
Paid management fee to related parties	8,183	5,183
Receivables from related parties	13,288	11,058
Payables to related parties	755	750
<b>Parent Company</b>		
Revenue to related parties	24,338	27,611
Goods from related parties	5,584	3,383
Royalty to related parties	683	3,386
Received management fee from related parties	5,370	0
Paid management fee to related parties	8,183	5,183
Interest from related parties	102	86
Receivables from related parties	51,032	39,553
Payables to related parties	2,997	2,483

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

##### Parent company

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Blue Bidco ApS	Birkerød, Denmark	Participating interest

#### 19 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Blue Holding ApS.

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Notes to the financial statements**

DKK'000		Parent company	
		2022	2021
<b>20</b>	<b>Appropriation of profit</b>		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	1,780	6,804
	Other statutory reserves	3,450	514
	Retained earnings	30,675	29,306
		<u>35,905</u>	<u>36,624</u>
DKK'000		Group	
		2022	2021
<b>21</b>	<b>Adjustments</b>		
	Amortisation/depreciation and impairment losses	11,708	5,063
	Financial income	-9,538	-2,393
	Financial expenses	12,313	7,341
	Financial liabilities	0	215
	Tax for the year	13,100	8,123
	Other adjustments	453	117
		<u>28,036</u>	<u>18,466</u>
<b>22</b>	<b>Changes in working capital</b>		
	Change in inventories	37,526	-148,198
	Change in receivables	-61,070	27,265
	Change in trade and other payables	-59,358	51,246
	Other changes in working capital	1,346	2,157
		<u>-81,556</u>	<u>-67,530</u>
<b>23</b>	<b>Acquisition of enterprises and activities</b>		
	Intangible assets	1,984	1,038
	Property, plant and equipment	1,451	104
	Inventories	20,566	1,375
	Receivables	3,585	5,841
	Cash	453	324
	Bank debt	-7,084	-208
	Deferred tax	-803	-403
	Trade payables	-9,361	-1,442
	Other payables	-3,891	-11,002
		<u>6,900</u>	<u>-4,373</u>
	Goodwill	70,100	6,873
	Cost of acquisition paid in cash	<u>77,000</u>	<u>2,500</u>
<b>24</b>	<b>Cash and cash equivalents at year-end</b>		
	Cash according to the balance sheet	10,833	38,558
		<u>10,833</u>	<u>38,558</u>