

EET Europarts International A/S

Bregnerødvej 133 D, 3460 Birkerød

CVR no. 35 23 94 80

Annual report 2019

Approved at the Company's annual general meeting on 31 March 2020

Chairman:

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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

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 EET Europarts International A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Birkerød, 31 March 2020
Executive Board:

.....
Claus Ring
CEO

Board of Directors:

.....
Søren Drewsen
Chairman

.....
Claus Ring

.....
Jan Holmetoft Iversen

Independent auditor's report

To the shareholder of EET Europarts International A/S

Opinion

We have audited the financial statements of EET Europarts International A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 March 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised Public Accountant
mne33732

Filip Asmussen
State Authorised Public Accountant
mne45921

Management's review

Company details

Name	EET Europarts International A/S
Address, Postal code, City	Bregnerødvej 133 D, 3460 Birkerød
CVR no.	35 23 94 80
Established	10 May 2013
Registered office	Rudersdal
Financial year	1 January - 31 December
Website	eu.eetgroup.com
Telephone	+45 45 82 19 19
Board of Directors	Søren Drewsen, Chairman Claus Ring Jan Holmetoft Iversen
Executive Board	Claus Ring, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

It is the objective of EET Europarts International A/S to sell and market Information & Communications Technology products mainly within consumer electronics, camera surveillance/CCTV and upgrade products.

The main market is outside Denmark.

Financial review

The income statement for 2019 shows a profit of EUR 211 thousand against a profit of EUR 97 thousand last year, and the balance sheet at 31 December 2019 shows equity of EUR 764 thousand. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

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

As a result of the current global outbreak of coronavirus, supply chains and the global transport and logistics markets are currently seeing a substantial negative impact. The situation continues to evolve but EET is well prepared for the challenging task ahead and remains strongly committed to mitigate the potential impact on our customers' supply chains.

Results in 2020 have been above budget for both January 2020 and February 2020 and the result for March 2020 is expected to be around the budgeted level.

Outlook

Due to the changed outlook for the global supply chains, transport and logistics markets, we cannot rule out a negative impact on our business and financial performance in the coming months. Given the rapid day-to-day developments in many markets, we are however currently unable to accurately assess the magnitude of this short-term impact.

The Management Board does therefore not give guidance for the 2020 financial year as neither the further course of developments nor the economic implications for the Company can be reliably estimated.

Financial statements 1 January - 31 December

Income statement

Note	EUR'000	2019	2018
	Gross profit	776	615
3	Staff costs	-503	-494
	Profit before net financials	273	121
4	Financial income	4	10
	Financial expenses	-6	-6
	Profit before tax	271	125
5	Tax for the year	-60	-28
	Profit for the year	211	97
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	150	0
	Retained earnings	61	97
		211	97

Financial statements 1 January - 31 December

Balance sheet

Note	EUR'000	2019	2018
	ASSETS		
	Fixed assets		
	Investments		
	Deposits	9	9
		9	9
	Total fixed assets	9	9
	Non-fixed assets		
	Receivables		
	Trade receivables	586	426
	Receivables from group enterprises	31	0
	Deferred tax assets	4	4
	Other receivables	431	472
		1,052	902
	Total non-fixed assets	1,052	902
	TOTAL ASSETS	1,061	911

Financial statements 1 January - 31 December

Balance sheet

Note	EUR'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	67	67
	Retained earnings	547	486
	Dividend proposed	150	0
	Total equity	<u>764</u>	<u>553</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	14	0
		<u>14</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	22	38
	Payables to group enterprises	140	153
	Other payables	88	102
	Deferred income	33	65
		<u>283</u>	<u>358</u>
	Total liabilities other than provisions	<u>297</u>	<u>358</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,061</u></u>	<u><u>911</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

EUR'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2019	67	486	0	553
Transfer through appropriation of profit	0	61	150	211
Equity at 31 December 2019	67	547	150	764

The share capital consist of 67.000 shares of EUR 1. The shares are not divided into share classes. The share capital is unchanged for the last 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of EET Europarts International A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Basis of recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Measurement of assets and liabilities after initial recognition is effected as described below for each item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement when earned. Furthermore, costs incurred to achieve earnings for the year are recognized in the income statement, including depreciation/amortisation, impairment losses and provisions as well as reversal of entries as a result of changed accounting estimates, which were formerly recognized in the income statement.

Reporting currency

The financial statements are presented in euros (EUR '000).

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen IAS 11/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. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

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

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.

Financial income and expenses

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

Tax

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 entity is jointly taxed with other group entities. 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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

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

Income taxes

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

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

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

Joint taxation contributions payable or receivables are recognised in the balance sheet as amounts owed by or to affiliated companies.

Other payables

Other payables are measured at net realisable value.

Deferred income

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

2 Events after the balance sheet date

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

As a result of the current global outbreak of coronavirus, supply chains and the global transport and logistics markets are currently seeing a substantial negative impact. The situation continues to evolve but EET is well prepared for the challenging task ahead and remains strongly committed to mitigate the potential impact on our customers' supply chains.

Results in 2020 have been above budget for both January 2020 and February 2020 and the result for March 2020 is expected to be around the budgeted level.

Financial statements 1 January - 31 December

Notes to the financial statements

EUR'000	2019	2018
3 Staff costs		
Wages/salaries	437	424
Pensions	28	21
Other social security costs	6	6
Other staff costs	32	43
	<u>503</u>	<u>494</u>
<p>The Company has entered into an administrative agreement with the parent, EET Group A/S, who provides administrative services to the Company.</p>		
Average number of full-time employees	<u>7</u>	<u>7</u>
<p>Pursuant to section 98b (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. No remuneration has been paid to the Board of Directors.</p>		
4 Financial income		
Interest receivable, group entities	4	5
Exchange gain	0	5
	<u>4</u>	<u>10</u>
5 Tax for the year		
Estimated tax charge for the year	60	29
Deferred tax adjustments in the year	0	-1
	<u>60</u>	<u>28</u>

6 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease agreements (operational leasing) with a remaining maximum term of 6 months have been entered into. Total rent liabilities amount to approximately 62 t.EUR (2018: 60 t.EUR).

The parent company has an obligation in respects of the right to return goods sold for the company's customers.

The company is jointly taxed with other Danish subsidiaries within the EET Group. The company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation. Any subsequent corrections of the consolidated taxable income and withholding taxes, etc. could lead to an increased liability for the company.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
EET A/S	Bregnerødvej 133 D, 3460 Birkerød

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
EET Group A/S	Bregnerødvej 133 D, 3460 Birkerød

ΠΕΝΝΕΟ

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"By my signature I confirm all dates and content in this document."

Jan Holmetoft Iversen

CFO

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-811470781868
IP: 91.198.xxx.xxx
2020-03-31 07:28:41Z

NEM ID 

Claus Ring

Executive Board

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-499865921925
IP: 91.198.xxx.xxx
2020-03-31 07:45:46Z

NEM ID 

Claus Ring

CEO

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-499865921925
IP: 91.198.xxx.xxx
2020-03-31 07:45:46Z

NEM ID 

Claus Ring

Board of Directors

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-499865921925
IP: 91.198.xxx.xxx
2020-03-31 07:48:08Z

NEM ID 

Jan Holmetoft Iversen

Chairman

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-811470781868
IP: 91.198.xxx.xxx
2020-03-31 07:49:47Z

NEM ID 

Jan Holmetoft Iversen

Board of Directors

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-811470781868
IP: 91.198.xxx.xxx
2020-03-31 07:49:47Z

NEM ID 

Søren Drewsen

Board of Directors

On behalf of: EET Europarts International A/S
Serial number: PID:9208-2002-2-387626225784
IP: 91.198.xxx.xxx
2020-03-31 08:09:40Z

NEM ID 

Ole Becker

State Authorised Public Accountant

On behalf of: Ernst & Young P/S
Serial number: CVR:30700228-RID:65669285
IP: 91.100.xxx.xxx
2020-03-31 08:18:34Z

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Filip Asmussen

State Authorised Public Accountant

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:26348584

IP: 77.213.xxx.xxx

2020-03-31 08:26:44Z

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