

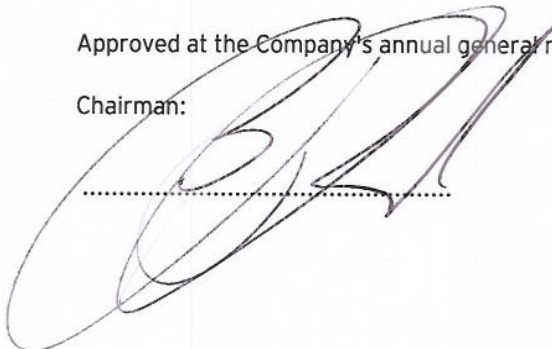
EET A/S

Bregnerødvej 133D, 3460 Birkerød
CVR no. 36 53 53 26

Annual report for the period 6 February - 31 December 2015

Approved at the Company's annual general meeting on 15 April 2016

Chairman:



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of EET A/S for the financial year 6 February - 31 December 2015.

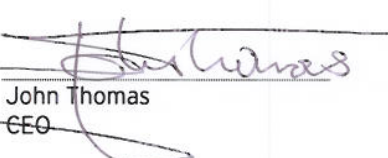
The annual report has been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU, additional Danish disclosure requirements according to Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and cash flows for the financial year 6 February - 31 December 2015.

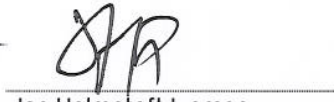
Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Birkerød, 15 April 2016
Executive Board:



John Thomas
CEO



Jan Holmetoft Iversen
CFO

Board of Directors:



Bo Rygaard
Chairman



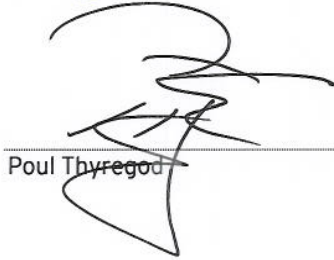
Stein Surlien



Lars Denkov



Per Ove Kogut



Poul Thyregod



Thomas Broe-Andersen

Independent auditors' report

To the shareholders of EET A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of EET A/S for the financial year 6 February - 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company 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 International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 6 February - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 15 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Kronbak
State Authorised
Public Accountant



Ole Becker
State Authorised
Public Accountant

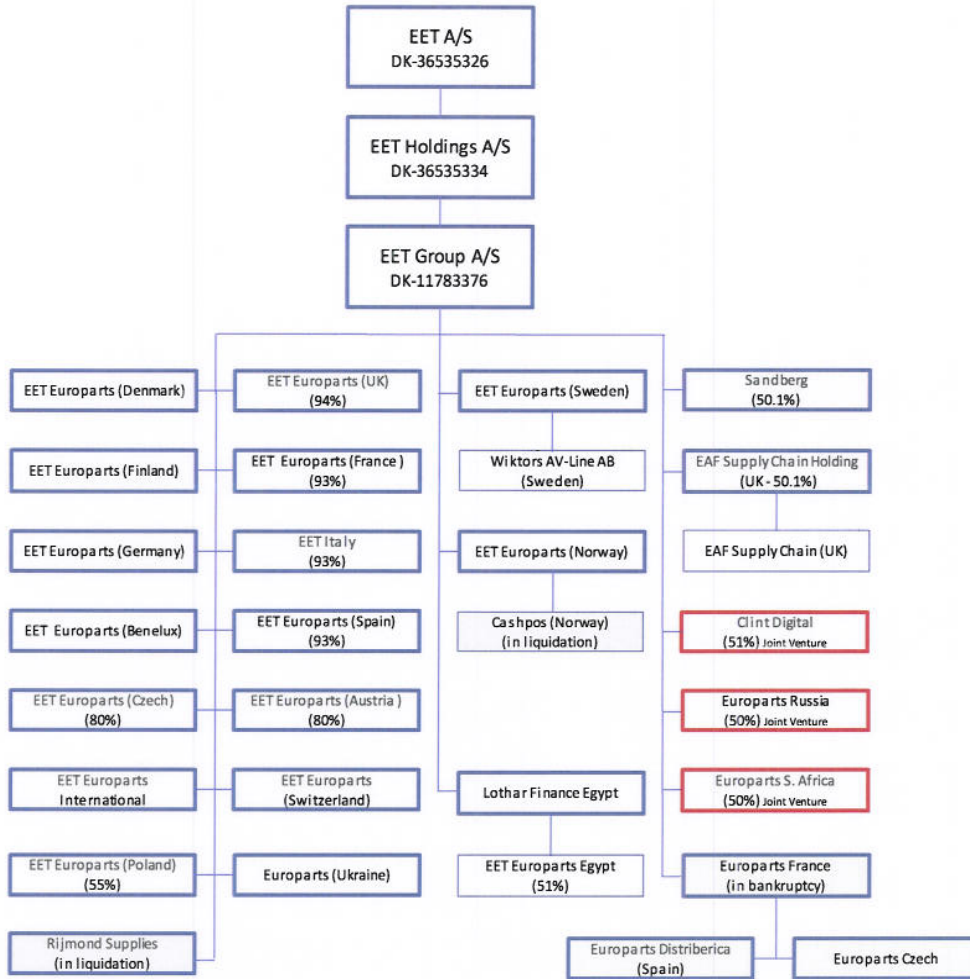
Management's review

Company details

Name	EET A/S
Address, zip code, city	Bregnerødvej 133 D, DK-3460 Birkerød
CVR no.	36 53 53 26
Established	6 February 2015
Registered office	Birkerød, Denmark
Financial year	6 February - 31 December
Website	www.eetgroup.com
E-mail	info@eeteuroparts.dk
Telephone	+45 45 82 19 19
Board of Directors	Bo Rygaard, Chairman Stein Surlien Lars Denkov Per Ove Kogut Poul Thyregod Thomas Broe-Andersen
Executive Board	John Thomas, CEO Jan Holmetoft Iversen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, DK-2000 Frederiksberg

Management's review

Group chart



Red entities are joint ventures and light blue entities without activity.

Management's review

Financial highlights for the Group

DKK'000	2015 (6 February -31 December)
Key figures	
Revenue	1,867,889
Gross profit	319,863
Operating profit before depreciation, amortisation and acquisition-related costs	120,672
Ordinary operating profit before special items	55,232
Special items	-15,928
Ordinary operating profit	39,304
Financial income and expense, net	-38,689
Loss for the year	-7,029
Total assets	
Total assets	1,746,870
Portion relating to in property, plant and equipment	27,434
Equity	490,473
Cash flows	
Cash flows from operating activities	-10,369
Net cash flows from investing activities	-944,881
Cash flows from financing activities	502,792
Total cash flows	-452,458
Financial ratios	
Gross margin	17.12%
Operating margin	2.96%
Solvency ratio	28.01%
Average number of full-time employees	531

The financial ratios have been prepared in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Group

The objective of EET A/S (formerly named Tee TopCo A/S) is to invest in companies carrying on activities within development, sale and marketing of ICT (Information Communication Technology) products in EMEA (Europe-Middle East-Africa). EET A/S is the ultimate parent company of the EET Group.

EET A/S' major shareholders are FSN Capital, a leading Nordic private equity investment company, and Danica Pension, one of Denmark's largest pension funds with pension assets totalling more than DKK 358 billion. Danica Pension is wholly owned by the largest Danish bank, Danske Bank A/S.

EET A/S was established on 6 February 2015 with the purpose of acquiring the pan-European distributor EET Group, headquartered in Birkerød, north of Copenhagen, Denmark. The acquisition of EET Group was closed on 10 April 2015 and carried out by EET A/S' wholly owned subsidiary EET Holdings A/S.

The subsidiary EET Group A/S, which carries out the main operations of the Group, enjoys a leading position in the European market. EET Group is present in a total of 20 countries having more than 27 local sales offices which are marketed under the name EET Europarts, all focusing on the following product areas:

- ▶ IT components and supplies for computers, servers and printers
- ▶ IT components and supplies for mobile devices
- ▶ Video surveillance and CCTV
- ▶ Home entertainment and lifestyle electronics
- ▶ Professional Audio Video equipment
- ▶ Point of Sale (POS) & AutoID equipment
- ▶ Network & Storage

EET markets a broad range of leading trademarks, including HP, IBM, Lexmark, Toshiba, Acer, Dell, NEC, Axis, Xerox, Pelco, Ernitec, IQeye NEC, Sony, B&O Play, and Kensington. EET markets more than 800 trademarks and more than 1,000,000 item numbers.

Development in activities and financial position

In 2015, the main subsidiary, EET Group A/S, continued its growth and achieved a top-line increase of more than 33%, resulting in consolidated revenue of DKK 2.4 billion and operating profit (EBITA) of DKK 154 million.

EET A/S acquired EET Group on 10 April 2015 and the consolidated profit & loss for EET A/S covers the period 6 February 2015 - 31 December 2015. During this financial period, consolidated revenue amounted to DKK 1.9 billion and the operating profit (EBITA) amounted to DKK 117 million.

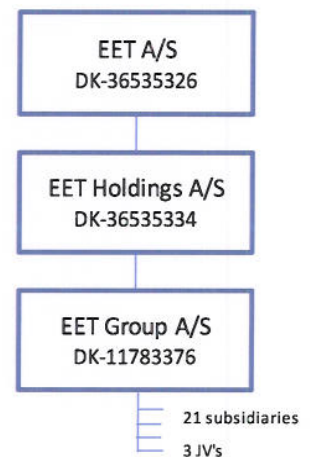
For 2015, EET A/S reported a loss of DKK 7 million. The result has been negatively impacted by DKK 16 million in transaction costs related to the acquisition of the EET Group included in "Special items" and amortization of DKK 61 million related to intangible from the acquisition of EET Group.

In connection with the acquisition of the EET Group, the Company entered into a Senior Facility agreement with its main bank, which was later on expanded to support the Group's acquisition strategy. Finance costs related to these agreements are capitalised for those directly related to the loans and amortised over the loan period and recognised as financial expenses through the income statement.

The Group's interest-bearing net debt, calculated as bank debt net of cash, amounted to DKK 725 million at year-end and is primarily related to debt raised in connection with the acquisition of EET Group.

At 31 December 2015, the Group's capital resources totalled DKK 495 million, including cash and unused credit facilities.

The result is satisfactory.



Management's review

Acquisitions

In 2015, three acquisitions were completed with the aim of strengthening the Group's future business development:

- ▶ In June 2015, the Group acquired the activities of Scandyna A/S, a Danish speaker company and manufacturer of the unique and sculptural Pod-speakers. Podspeakers, known for its stylish designs and sublime sound quality, was seen as a perfect match for broadening the assortment of high-end and premium brands, also including Loewe, Vifa and Clint within the Group's Home Entertainment and Lifestyle products.
- ▶ In August 2015, the German distributor of Server, Computer & Printer parts, Rijnmond Supplies GmbH, was acquired with the purpose of strengthening the presence on the German market.
- ▶ In September 2015, the Norwegian distributor of POS & AutoID-products, Barex Distribution AS, was acquired. This company markets products including barcode readers, label printers, data-capture technology, networking gear, software, tablets and other mobile devices. The acquisition was carried out by the EET Group's subsidiary, EET Europarts Norway AS, and is part of the plan to make EET one of the leading distributors within POS & Auto-ID. This acquisition was further backed up by the acquisition of another Norwegian distributor within the same area, CashPos AS, which was closed during January 2016.



The EET Group has completed 29 acquisitions during the past 17 years and for 2016 it is expected that further acquisitions will be made in order to strengthen the Group's product offerings.

Risks

General

As a result of its operations and financing, the Group is exposed to financial risks, including market risks (currency, interest rate and credit risks), which may affect the Group's results of operations and financial position.

The Group's risks are managed centrally in the Group's finance function in accordance with the principles adopted and set out by the Board of Directors. It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed at managing the financial risks directly attributable to the Group's operations and financing.

Currency risks

The Group's foreign entities are not immediately affected by exchange rate fluctuations, as income and costs are settled in local currencies. Activities carried out by Danish group entities are affected by exchange rate fluctuations, as part of the sales and goods purchased are settled in foreign currency, whereas costs, including wages and salaries, are settled in Danish kroner.

Moreover, the Group is affected by changes in exchange rates, as the foreign subsidiaries' results at year-end are translated into Danish kroner based on average exchange rates.

The Group's currency risks are primarily hedged by means of distribution of income and costs in the same currency and by means of derivative financial instruments. In accordance with policies adopted by the Board of Directors, risks related to recognised financial assets and liabilities are hedged.

Interest rate risks

In accordance with group policies, interest rate risks related to the Group's loans are hedged. Hedging is primarily made by means of swaps under which floating-rate loans are converted to fixed-rate loans.

Management's review

Credit risks

The Group has no significant risks relating to one individual customer or business partner. The Group's policy in respect of credit risks implies that all major customers and other business partners are credit-rated and insured (if possible) on an ongoing basis.

Other compulsory disclosures

- ▶ **Environmental issues**
The Group aims to reduce the environmental impact by, among other things, disposing of discarded products in an environmentally and financially responsible way.
- ▶ **CSR**
The Company has no formal CSR policies, re section 99a(1) of the Danish Financial Statements Act.
- ▶ **Human rights**
The Company has no formal policies for human rights, re section 99a(3) of the Danish Financial Statements Act.
- ▶ **Climate**
The Company has no formal policies for the effect of its activities on the climate, re section 99a(3) of the Danish Financial Statements Act.
- ▶ **Targets and policies concerning the gender composition of Management.**

Board of directors

The Company aims to have a Board of Directors that can perform its operations in terms of strategy, management and control in an efficient manner.

The Company will seek to appoint candidates with the best profiles and qualifications, as this is considered essential to the Company. In this connection, gender is considered when appointing candidates to the Board of Directors. However, recruitment criteria such as professional qualifications, industry experience, educational background, etc. are also taken into account, as it is essential that all members of the Board of Directors possess the necessary competences.

The breakdown by gender of the members of the Board of Directors appointed by the annual general meeting has so far been: 0 females and 5 males.

Target to be met by the annual general meeting of shareholders in 2019 at the latest: 1 female and 4 males.

Other management levels

The current breakdown by gender at other management levels in Denmark is 43% females and 57% males.

The Company aims to create a good and diverse workplace that promotes women's and men's equal career opportunities, for instance through competency development to increase the share of the under-represented gender at other management levels in Denmark.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this financial statement.

Outlook

Continued growth in the Group's results are expected for 2016, and the Group will in 2016 focus on expansion both through acquisitions and not least by continuous strengthening of the product portfolio. EBITA is expected to be minimum 160 million and result before taxes are expected to be positive in 2016.

Consolidated income statement for the period 6 February to 31 December

Note	DKK'000	2015
	Revenue	1,867,889
	Cost of goods sold	-1,503,041
	Product profit	364,848
6	Other expenses	-44,985
	Gross profit	319,863
5	Staff costs	-199,191
	Operating profit before depreciation, amortisation and special items	120,672
13	Depreciation	-4,048
12	Amortisation	-61,392
	Operating profit before special items	55,232
7	Special items	-15,928
	Operating profit	39,304
23	Share of profit or loss in joint ventures accounted for under the equity method	83
8	Finance income	199
9	Finance costs	-38,888
	Profit before tax	698
10	Income tax expense	-7,727
	Loss for the year	-7,029
	Attributable to:	
	Non-controlling interests	2,443
	Shareholders in EET A/S	-9,472
	Loss for the year	-7,029

Consolidated statement of comprehensive income for the period 6 February to 31 December

Note	DKK'000	2015
	Consolidated loss for the year	-7,029
	Value adjustments of cash flow hedging instruments	-7,410
10	Income tax effect	1,212
	Exchange differences on translation of foreign operations	-6,198
	Items that may be reclassified to the consolidated income statement	-4,823
	Total comprehensive income, net of tax	-18,050
	Attributable to:	
	Non-controlling interest	1,922
	Shareholders in EET A/S	-19,972
	Total comprehensive income, net of tax	-18,050

Consolidated statement of financial position at 31 December

Note	DKK'000	2015
	ASSETS	
	Non-current assets	
12	Goodwill	568,888
12	Technology, etc.	216,267
12	Customer relationships	345,971
12	Brand	31,585
13	Property, plant and equipment	37,161
11	Deferred tax assets	7,996
23	Investments in joint ventures	1,582
	Deposits	7,823
	Total non-current assets	1,217,273
	Current assets	
14	Inventories	153,305
15	Trade receivables	297,164
	Income tax receivable	3,570
	Other receivables	11,480
	Prepayments	8,036
16	Cash	56,042
	Total current assets	529,597
	TOTAL ASSETS	1,746,870
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	21,950
	Retained earnings and other reserves	444,941
	Equity attributable to shareholders in EET A/S	466,891
	Non-controlling interests	23,582
	Total equity	490,473
	Liabilities	
	Non-current liabilities	
19	Interest-bearing loans and borrowings	696,985
11	Deferred tax liabilities	131,926
	Total non-current liabilities	828,911
	Current liabilities	
19	Interest-bearing loans and borrowings	47,093
17	Trade payables	259,599
18	Provisions	2,315
	Income tax payable	14,594
	Other payables	101,804
	Prepayments from customers	2,081
	Total current liabilities	427,486
	Total liabilities	1,256,397
	TOTAL EQUITY AND LIABILITIES	1,746,870

Consolidated cash flow statement for the period 6 February - 31 December

Note	DKK'000	2015
	Operating activities	
	Operating profit	39,304
	Adjustments to reconcile profit before tax to net cash flows:	
13	Depreciation	4,048
12	Amortisation	61,392
	Other non-cash adjustments	-10,644
	Working capital adjustments	
	Change in trade and other receivables	-40,268
	Change in inventories	-1,070
	Change in trade and other payables	-13,419
		42,343
	Interest received	199
	Interest paid	-27,602
	Income tax paid	-22,309
	Net cash flows from operating activities	-10,369
	Investing activities	
	Acquisition and disposal of deposits, net	-115
	Purchase of property, plant and equipment	-22,786
	Acquisition of activities	-4,565
26	Acquisition of subsidiaries	-917,415
	Net cash flows from investing activities	-944,881
	Financing activities	
	Proceeds from the issue of share capital	4,910
	Proceeds from long-term borrowings	738,562
	Repayment of borrowings	-206,015
	Acquisition of non-controlling interests	-33,588
	Divident to non-controlling interests	-1,077
	Net cash flows from financing activities	502,792
	Net increase in cash	-452,458
	Cash and cash equivalents at 6 February	508,500
16	Cash and cash equivalents at 31 December	56,042

Consolidated equity statement for the period 6 February - 31 December

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Re- tained earnings	Total	Non- con- trolling inter- ests	Total equity
Equity at 6 February 2015	21,675	0	0	486,825	508,500	0	508,500
Loss for the year	-	0	0	-9,472	-9,472	2,443	-7,029
Other comprehensive income	-	-4,302	-6,198	0	-10,500	-521	-11,021
Total comprehensive income	-	-4,302	-6,198	-9,472	-19,972	1,922	-18,050
Transactions with shareholders							
Capital increase	275	0	0	3,734	4,009	0	4,009
Acquisition of subsidiary	-	0	0	0	0	30,679	30,679
Change of ownership interest with non-controlling interest	-	0	0	-26,859	-26,859	-6,729	-33,588
Other	-	0	0	1,213	1,213	-1,213	0
Dividend paid	-	-	-	-	-	-1,077	-1,077
Total transactions with sharehold- ers	275	0	0	-21,912	-21,637	21,660	23
Equity at 31 December 2015	21,950	-4,302	-6,198	455,441	466,891	23,582	490,473

Consolidated financial statements for the period 6 February - 31 December

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Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

1 Corporate information

The Group is incorporated and domiciled in Denmark. The registered office is located in Birkerød.

2 Basis of preparation

The consolidated financial statements of EET A/S (the Group) are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Company was established on 6 February 2015 and acquired the EET Group on 10 April 2015.

Accordingly, these consolidated financial statements for the period 6 February to 31 December 2015 are the first financial statements prepared by the Group.

The financial statement is prepared based on the standards and interpretations that are effective as of 31 December 2015.

The consolidated financial statements are presented in DKK, which is the parent company's functional currency and the presentation currency of the Group, and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

3 Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2015. Control is achieved when the Group is exposed, or is entitled, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- ▶ Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or entitlement, to variable returns from its involvement with the investee
- ▶ The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee
- ▶ Rights arising from other contractual arrangements
- ▶ The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control and until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the primary currency used for the reporting entity's operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or the exchange rate in the latest consolidated financial statements is recognised in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of entities with a functional currency other than the presentation currency of EET A/S (DKK), the income statement is translated at the exchange rates at the transaction date, and the statement of financial position items are translated at the exchange rates at the end of the reporting period. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly deviate from the exchange rate at the transaction date. Foreign exchange differences arising on translation of the opening balance of equity of foreign entities at the exchange rates at the end of the reporting period and on translation of the income statement from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognised in other comprehensive income and attributed to a separate translation reserve in equity.

Foreign exchange adjustment of balances with foreign entities which are considered part of the investment in the entity is recognised in the consolidated financial statements in other comprehensive income if the balance is denominated in the functional currency of the parent or the foreign entity.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it will measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the separate income statement caption "Acquisition-related costs".

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 under the separate income statement caption "Special items".

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in such circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Interests in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control over the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the Group's share of the results of operations of joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Derivative financial instruments

The Group recognises derivatives as at the transaction date. Derivative financial instruments are measured at fair value at initial recognition and at each reporting date.

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- ▶ Cash flow hedges when hedging exposure to variability in future cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Cash flow hedges which meet the criteria for hedge accounting are accounted for as follows:

- ▶ The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement as finance costs.

The Group uses foreign exchange contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as finance costs.

- ▶ Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged finance income or finance cost is recognised or when a forecast sale occurs. Amounts previously recognised in OCI are transferred to the same item as the hedged item when the hedged item impacts the income statement.

Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Income statement

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements, since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, which primarily takes place ex warehouse.

Revenue is recognised net of sales discounts.

Cost of goods sold

Cost of goods sold comprises costs relating to sold goods, inventory write-downs, freight expenses, etc.

Other expenses

Other expenses comprise expenses incurred during the year for office expenses, rent, leases, advertising, exhibitions, etc.

Staff costs

Staff costs comprise wages and salaries, pensions, social security costs and other related staff costs.

Special items

Special items include acquisition costs related to items not considered a normal part of the Group's operations and are shown separately in order to give a more true and fair view of the Group's operating profit.

Share of profits in joint ventures

Share of profits in joint ventures is recognised net of tax for the period for which the investment is considered a joint venture.

Financial income and expenses

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

Taxes of profit/loss

Taxes of profit/loss comprise current income and changes in deferred taxes (deferred taxes are described in a separate section),

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in OCI or equity is recognised in OCI or equity and not in the income statement. Management periodically evaluates positions taken in the tax returns

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

with respect to situations, in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Statement of comprehensive income

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustment arising from the translation from functional currency to presentation currency and fair value adjustments of hedging instruments.

In the event of the disposal of an entity, the accumulated exchange rate adjustment relating to the relevant entity is reclassified to the income statement.

Statement of financial position

Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation (for intangible assets with finite lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as amortisation.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is as follows:

- ▶ Goodwill indefinite
- ▶ Technology, etc. - amortised on a straight-line basis over 15 years
- ▶ Customer relationship - amortised on a straight-line basis over 12 years
- ▶ Brands - amortised on a straight-line basis over 10 years

Goodwill

Goodwill is tested for impairment annually (at 31 December) and when circumstances indicate that the carrying amount may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount being the highest of value in use and fair value less cost of disposal of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Other intangibles

Other intangibles comprising Technology, etc., Customer relationship and Brands are also tested for impairment when circumstances indicate that the carrying amount may be impaired. These intangible assets are not attributable to any specific reportable operating segment, and accordingly, an impairment test is carried out at consolidated group level.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Property, plant and equipment: 3 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised under depreciation.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investments in joint ventures

Investments in joint ventures are recognised as the Group's share of the equity value, measured according to the Group's accounting policies.

Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated expenses necessary to make the sale.

Trade receivables

Trade receivables are generally recognised at nominal value, which in all material respects corresponds to amortised cost. Write-down is made for anticipated losses based on specific individual or collective assessments.

Prepayments

Prepayments comprise expenses incurred concerning subsequent financial years.

Equity

Equity includes total comprehensive income for the year, comprising the profit or loss for the year and other comprehensive income. Proposed dividend for distribution is included as a separate component of equity until the declaration date.

The translation reserve comprises the Group's share of accumulated exchange rate differences arising on translation of foreign entities from the entity's functional currency to presentation currency of the Group. The reserve for hedges includes the accumulated net change in the fair value of hedging transactions qualifying for cash flow hedge accounting.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a current legal or constructive obligation and include warranty and restoration provisions. Provisions are recognised on the basis of best estimates.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period and relates to new information about facts and circumstances at the acquisition date or recognised in the income statement.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities on initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, after initial recognition at amortised cost. This includes directly attributable transaction and borrowing costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivative financial instruments.

Trade and other payables, bank overdrafts, loans and borrowings are subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Cash flow statement

The statement of cash flows shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method as the profit before tax adjusted for non-cash operating items, changes in working capital, restructuring costs paid, interest received and paid, and income tax paid.

Cash flows from investing activities

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 other non-current assets. The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the statement of cash flows from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the acquisition and disposal of non-controlling interests, raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash in the statement of financial position comprises cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash net of outstanding bank overdrafts as part of the ongoing monitoring of liquidity.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit before special items} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year-end excluding minorities} \times 100}{\text{Total equity and liabilities at year-end}}$

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

4 Significant accounting estimates and judgements

When preparing the consolidated financial statements for the Group, Management undertakes a number of accounting estimates and judgements to recognise, measure and classify the Group's assets and liabilities.

The most significant areas subject to estimates and judgements are mentioned below.

Valuation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as amortisation.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The estimated value in use is computed on the basis of the expected free cash flow from the relevant cash-generating unit based on updated budgets for the next 5 years. The calculated value in use is based on a number of assumptions and is by nature subject to uncertainty. The key assumptions are disclosed and further explained in note 12.

Business combinations

The allocation of the acquisition cost to the fair value of the acquired assets, liabilities and contingent liabilities and thus to goodwill, including the allocation to cash-generating units, may have a significant impact on future profits. Fair values are based on estimates using information available at the time control was achieved. When part of the acquisition cost for entities acquired is dependent on the development in future profits, estimates are made of the most probable value of the contingent acquisition cost based on current forecasts. Please refer to note 26 for information about business combinations.

Inventories

Write-down for obsolete inventories is carried out on the basis of an assessment of their recoverability at the reporting date. Inventories are analysed and written down if necessary. Movements in inventory write-downs are reflected in note 14.

Receivables

Impairment and write-downs of receivables are carried out on the basis of an assessment of objective evidence of impairment and their recoverability at the reporting date. Trade receivables are analysed and impaired if necessary. An analysis of overdue trade receivables and movements in the provisions for bad debts appears from note 15.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

5	Staff costs	2015
	DKK'000	
	Wages and salaries	158,738
	Pension costs (defined contribution plans)	9,111
	Other social security costs	18,012
	Other staff costs	13,330
	Total staff costs	199,191
	Average number of employees	531

Remuneration to the Executive Board

Wages and salaries	4,300
Pensions	98
	4,398

There has been no remuneration at 31 December 2015 for the Executive Board registered at the Danish Business Authorities in 2015. The amount above includes the salaries and pensions to CEO and CFO, which has been registered at the Danish Business Authorities in January 2016.

Remuneration to the Board of Directors

DKK'000	2015
Wages and salaries	350

Remuneration to key management personnel

Wages and salaries	3,295
Pensions	174
Wages and salaries	3,469

Key management personnel comprise the COO, the director of logistics and the director of product management.

The Executive Board and key management personnel are eligible for bonuses, depending on EBITA of operations.

6	Audit fees	2015
	DKK'000	
	Fees to the statutory auditors:	
	Statutory audit	1,127
	Other assurance services	50
	Tax and VAT advisory services	459
	Other services	902
		2,538

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

7	Special items	2015
	DKK'000	<u>2015</u>
	Acquisition cost related to acquisition of the investment at 10 April 2015	<u>15,928</u>
	Total special items	<u>15,928</u>
8	Finance income	2015
	DKK'000	<u>2015</u>
	Interest income	<u>199</u>
	Total finance income	<u>199</u>
9	Finance costs	2015
	DKK'000	<u>2015</u>
	Interest on debts and borrowings, etc.	25,722
	In-effectiveness interest rate swap	2,459
	Amortisation of borrowing costs	5,260
	Other financial expenses	<u>2,299</u>
	Total interest expense on debts and borrowings at amortised cost	35,74
	Currency loss, net	<u>3,148</u>
	Total finance costs	<u>38,888</u>

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

10 Income tax

The major components of income tax expense for the year ended 31 December 2015:

DKK'000	2015
Consolidated income statement	
<i>Current income tax:</i>	
Current income tax charge	-19,266
<i>Deferred tax:</i>	
Changes in temporary differences	11,539
Income tax expense in the income statement	-7,727
 Consolidated statement of other comprehensive income	
<i>Deferred tax related to items recognised directly in other comprehensive income:</i>	
Net loss on value adjustment on hedging instruments	1,212
Income tax charged to other comprehensive income	1,212
 Profit before tax	 698
Calculated at Denmark's statutory income tax rate of 23.5%	-164
Tax rate deviations in foreign entities, net	-937
Tax impact from acquisition-related costs and other permanent differences	-6,626
Income tax expense reported in the consolidated income statement	-7,727

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

11 Deferred tax

Deferred tax in 2015 related to the following:

DKK'000	Consolidated statement of fi- nancial position	Consolidated in- come state- ment/other com- prehensive income
Intangible assets	-129,126	14,235
Property, plant and equipment	981	-62
Inventories, etc.	2,106	-2,087
Receivables, etc.	170	-242
Other items	1,939	907
Deferred tax expense (income)		12,751
Net deferred tax assets (liabilities)	-123,930	
<i>Reflected in the statement of financial position as follows:</i>		
Deferred tax assets	7,996	
Deferred tax liabilities	-131,926	
Deferred tax liabilities, net	-123,930	

The deferred tax asset relates to tax losses which can be utilised indefinitely, but which are expected to be used in the near future.

The Group has carried forward losses on financial instruments with a taxable value of DKK 2 million, which is not recognised, as its future utilisation is associated with uncertainty. The carry-forward period is limited to 3 years.

Reconciliation of deferred tax liabilities, net

DKK'000	2015
Opening balance at 6 February	0
Taxable income (expense) during the period recognised in profit or loss	11,539
Taxable income (expense) during the period recognised in other comprehensive income	1,212
Deferred tax acquired in business combinations	-136,681
Closing balance at 31 December	-123,930

The Group offsets tax assets and liabilities only if it has a legally enforceable right to do so and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

12 Intangible assets

DKK'000	Goodwill	Technology, etc.	Customer relation- ship	Brand	Total
Cost at 6 February 2015	0	0	0	0	0
Acquisition of subsidiaries	568,888	252,944	368,217	34,054	1,224,103
Cost at 31 December 2015	568,888	252,944	368,217	34,054	1,224,103
Amortisation at 6 February 2016	0	0	0	0	0
Amortisation	-	36,677	22,246	2,469	61,392
Amortisation at 31 December 2015	-	36,677	22,246	2,469	61,392
Carrying amount at 31 December 2015	568,888	216,267	345,971	31,585	1,162,711

Except for goodwill, all other intangible assets have finite useful lives and are amortised according to the Group's accounting policies. Goodwill is tested for impairment annually.

Goodwill acquired through business combinations with indefinite lives has been allocated to the five reportable operating segments reflecting the Group's CGUs, which are tested for impairment:

- ▶ Server, computer and printer parts
- ▶ Home entertainment and life style
- ▶ Surveillance and security
- ▶ Mobile parts and accessories
- ▶ Other¹

¹"Other" relates to other minor different business areas

Other intangible assets comprising Technology, etc., Customer relationship and Brands are not attributable to any specific reportable operating segment, and accordingly, impairment tests are carried out at consolidated group level.

The Group performed its annual impairment test of goodwill in December 2015. The Group considers the relationship between its value in use and its carrying amount, among other factors, when reviewing for evidence of impairment.

No impairment was identified in respect of any of the CGUs.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

12 Intangible assets (continued)

Estimates used to measure recoverable amount

The recoverable amount of each CGU is determined on the basis of its value in use. The value in use is established using certain key assumptions as described below. The key assumptions are revenue growth, product contribution and discount rates.

Value-in-use cash flow projections are based on financial budgets approved by Management covering the subsequent financial year. The assumptions applied in the short to medium term are based on Management's expectations as to the operational development and growth in product contribution. The terminal growth rates applied for periods beyond 4 years do not exceed an expected weighted long-term average growth rate, including inflation, for the main countries in which the Group operates. Other costs within operating profit before acquisition-related costs are for impairment testing purposes allocated to the reportable operating segments based on their relative share of the product contribution in the Group.

Discount rates represent the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the Group's specific circumstances and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investments by investors.

The specific discount rates, which are calculated net of tax, are generally based on a 10-year government bond. The cost of debt is based on the yield to maturity on 10-year Danish government bonds added a credit risk premium measured by the spread between the yield to maturity of 10-year EUR-denominated corporate bonds issued by comparable companies and the yield to maturity of 10-year EUR-denominated German government bonds. A capital structure with a ratio of 48% between the market value of debt and equity value has been applied in the calculation based on the capital structure of comparable companies. A long-term market equity risk premium of 7% has been applied to reflect an expected long-term stock market return of 8%.

Uncertainties reflecting historical performance and possible variations in the amount or timing of the future cash flows are generally reflected in the discount rates.

Carrying amount of goodwill allocated to each of the CGUs and key assumptions

The carrying amount of goodwill and the key assumptions used in the impairment testing at 31 December are presented below for each CGU:

DKK'000	Goodwill	Key assumptions applied			
		Long-term growth in revenue	Long-term growth in product contribution	Discount rate, net of tax	Discount rate, pre-tax
Server, computer and printer parts	278,838	2%	2%	9.3%	11.3%
Home entertainment and life style	62,579	2%	2%	9.3%	11.3%
Surveillance and security	42,233	2%	2%	9.3%	11.3%
Mobile parts and accessories	44,755	2%	2%	9.3%	11.3%
Other	140,483	2%	2%	9.3%	11.3%
	568,888				

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Notes to the financial statements

12 Intangible assets (continued)

Sensitivity analysis

A sensitivity analysis of the key assumptions in the impairment testing is presented below. The allowed change represents the percentage points by which the value assigned to the key assumption as applied in the expected long-term rate can change, all other things being equal, before the CGU's recoverable amount equals its carrying amount.

	2015					
	Growth in revenue		Growth in product contribution		Discount rate, net of tax	
	Applied expected long-term rate	Allowed decrease	Applied expected long-term rate	Allowed decrease	Applied rate	Allowed increase
DKK'000						
Server, computer and printer parts	2%	-16.7%	2%	-16.7%	9.3%	8.7%
Home entertainment and life style	2%	-29.0%	2%	-29.0%	9.3%	13.4%
Surveillance and security	2%	-20.5%	2%	-20.5%	9.3%	10.4%
Mobile parts and accessories	2%	-11.8%	2%	-11.8%	9.3%	6.1%
Other	2%	-28.1%	2%	-28.1%	9.3%	12.5%

Other intangible assets

Other intangible assets comprising Technology, etc., Customer relationship and Brands show no evidence of impairment.

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Notes to the financial statements

13 Property, plant and equipment

DKK'000	Plant and equipment
Cost at 6 February 2015	0
Acquisition of subsidiary	13,923
Additions	27,434
Disposals	-625
Foreign exchange adjustments	-94
Cost at 31 December 2015	40,638
Depreciation and impairment losses at 6 February 2015	0
Depreciation	4,019
Disposals	-542
Foreign exchange adjustments	0
Depreciation and impairment losses at 31 December 2015	3,477
Carrying amount at 31 December 2015	37,161

Depreciation in the income statement includes a loss of DKK 29 thousand in 2015 related to disposals of assets.

14 Inventories

DKK'000	2015
Trading goods	153,305
Total inventories	153,305

During 2015, DKK 7.4 million was charged to the income statement for damaged, obsolete and lost inventories.

15 Trade receivables, current

DKK'000	2015
Trade receivables	290,888
Receivables from related parties	6,276
	297,164

Trade receivables are non-interest-bearing and generally fall due on 30-45 days terms. At 31 December 2015, trade receivables of an initial value of DKK 4.2 million were impaired and fully provided for. See below for the movements in the allowance for impairment of receivables.

DKK'000	2015
At 6 February 2015	0
Acquisition of subsidiary	3,519
Charge in the year	1,574
Utilised	-884
	4,209

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

15 Trade receivables, current (continued)

At 31 December, the ageing analysis of trade receivables is as follows:

DKK'000	Total	Neither past due nor impaired	Past due, but not impaired			
			< 30 days	30-60 days	61-90 days	> 91 days
2015	290,888	275,161	14,909	818	0	0

Customer credit risk

Customer credit risk is managed both locally and at group level subject to the Group's established policy, procedures and controls relating to customer credit risk management. The credit quality of a customer is assessed based on credit rating and analysis, and individual credit limits are defined in accordance with this assessment. Most customer receivables are covered by insurance.

Outstanding customer receivables are followed up on a regular basis and provisions are made for bad debts on a monthly basis. The calculation is based on actual historical data. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets.

The Group considers the concentration of risk with respect to trade receivables low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

16 Cash

DKK'000	2015
Cash	56,042

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2015, the Group's undrawn, committed borrowing facilities totalled DKK 495,134 thousand.

17 Trade and other payables (current)

DKK'000	2015
Trade payables	259,599
Related parties	0
	<u>259,599</u>

Trade payables are non-interest-bearing and are normally settled on a 30-60-day term.

18 Provisions

DKK'000	Restoration	Warranty	Total
At 6 February 2015	0	0	0
Acquisition of subsidiary	2,036	2,000	4,036
Utilised	-1,721	0	-1,721
At 31 December 2015	<u>315</u>	<u>2,000</u>	<u>2,315</u>

The warranty provision relates to any form of warranties on goods sold. Restoration relates to leases. Provisions are expected to be used within one year.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

19 Interest-bearing loans and borrowings

The Group has taken out the following interest-bearing loans and borrowings:

Interest-bearing loans and borrowings	Expiry	Floating rate	Carrying amount 2015
Facility A	Expire uptil 2021	3.50%	288,212
Facility B	Expire uptil 2022	4.00%	402,297
Facility B2	Expire uptil 2020	4.00%	30,000
Shareholder loans	30 December 2015	6.00%	20,000
Acquisition facility	Expire uptil 2021	3.50%	40,388
			780,897
Non-current			733,804
Current			47,093
			780,897

Interests on the Facility A and Facility B loans are hedged economically with interest rate swaps for interest levels above 0%.

Capitalised borrowing costs amount to DKK 36,819 thousand at 31 December 2015 and are amortised until the expiry date of the loans. Amortisation in 2015 amounts to DKK 5,260 thousand.

20 Financial assets and liabilities

DKK'000	2015
<i>Financial assets at fair value</i>	
Financial instruments measured at fair value	0
<i>Financial assets at amortised cost</i>	
Trade receivables	297,164
Other receivables	11,480
Cash	56,042
	364,686
<i>Financial liabilities at fair value</i>	
Financial instruments measured at fair value	8,270
<i>Financial liabilities at amortised cost</i>	
Interest-bearing loans and borrowings	744,078
Trade payables	259,599
Other payables (excluding financial instruments at fair value)	93,534
	1,097,211

The fair value of the assets and liabilities listed above is not materially different from the carrying amount except from interest-bearing loans and borrowings in 2015:

Interest-bearing loans and borrowings (fair value)	780,897
--	---------

Fair values

Financial instruments measured at fair value

Financial instruments measured at fair value are limited to derivative instruments. As described below, the fair value of derivatives is based on observable market data and valuation techniques (level 2). The financial instruments are measured at fair value on a recurring basis.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

20 Financial assets and liabilities (continued)

Financial instruments measured at amortised cost

The carrying amounts of the Group's financial instruments, measured at amortised cost, are reasonable approximations of fair values.

Valuation techniques

Management has assessed that cash, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values of other financial instruments:

Floating-rate borrowings are evaluated by the Group based on parameters such as interest rates and EET A/S' individual creditworthiness. The fair value is estimated using a discounted cash flow model. The own non-performance risk at 31 December 2015 was assessed to be insignificant.

Derivative financial instruments with various counterparties are principally financial institutions with investment grade credit ratings. The applied valuation techniques are discounted cash flow models, which incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate at the end of the reporting period. The own non-performance risk at 31 December 2015 was assessed to be insignificant.

21 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loans, trade and other receivables and cash that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

It is the Group's policy not to trade in derivatives for speculative purposes.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group enters into interest rate swaps to mitigate this risk, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest rate amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. Hence changes in the interest rates will not have any significant impact on profit or loss.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

21 Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The credit risk relating to trade receivables is disclosed in note 15.

Credit risk from balances with banks and financial institutions is managed by group management on a regular basis. The cash balanced is concentrated at mainly a single counterparty rated AA.

Foreign currency risk

The Company is exposed to foreign currency risks arising from its operating and financing activities, as the Company has sales, purchases and financing in foreign currencies. In accordance with the Company's risk management policy, the Company hedges foreign currency risks arising from

- ▶ financing activities using interest rate swaps
- ▶ recognised and unrecognised transactions using forward exchange contracts.

Currency risks on items of the statement of financial position are monitored several times weekly and hedged by using primarily financial instruments. The risk exposure is considered limited.

Liquidity risk

The equity share of total equity and liabilities was 28.01% at the end of 2015. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, etc.

The Group considers the concentration of risk with respect to refinancing its debt low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

31 December 2015 DKK'000	On demand	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	20,300	57,766	367,263	481,754	927,083
Interest rate swaps	0	3,366	14,286	600	18,252
Other	0	301	0	0	301
	20,300	61,433	381,549	482,354	945,636

The senior debt facilities are subject to financial covenants, which include debt and interest coverage ratios and cash flow and investment ratios.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

21 Financial risk management objectives and policies (continued)

Interest rate hedging

As of 31 December 2015 the interest rate hedges were tested ineffective. The effective amount recognised in other comprehensive income as of 30 September 2015 will be recycled to profit and loss over the period until March 2022. All future changes in the derivative will be recognised in profit and loss. The amount recognised on other comprehensive income as of 31 December 2015 is DKK 5,510 thousand.

Foreign exchange

The Group has used foreign exchange instruments to hedge the foreign exchange risk related to future purchases. The fair value recognised in other comprehensive income amounts to negative DKK 1,900 thousand at 31 December 2015.

31 December 2015

DKK'000

Fair value of derivatives

Interest rate swaps
Other

2015

	Assets	Liabilities
Interest rate swaps	-	7,969
Other	-	301

22 Capital management

The primary objective of the Group's capital management is to maximise shareholder value.

In order to achieve this overall objective, the Group's capital management aims, e.g., at ensuring that it meets financial covenants connected with the interest-bearing loans and borrowings that define capital structure requirements. Failure to meet the financial covenants would permit the bank to call loans and borrowings.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing loans and borrowings, trade and other payables, less cash.

DKK'000

Interest-bearing loans and borrowings
Trade payables
Other payables
Less cash

Net debt
Equity

Total capital and net debt

Gearing ratio

2015

744,078
259,599
101,804
-56,042

1,049,439
490,473

1,539,912

0.68

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

23 Investments in joint ventures

The following is summarised financial information for the Group's interest in immaterial joint ventures, based on the amount reported in the Group's consolidated financial statements:

DKK'000	2015
Equity of immaterial joint ventures	1,582
Dividends paid	0
Group's shares of:	
Profit from continuing operations	83
Other comprehensive income	0
Total comprehensive income	83

Name	Principal activities	Country of in- corporation	% equity interest 2015
EET Europarts RUS, ZAO	Sales company	Russia	50.0%
EET Europarts (Pty) Ltd.	Sales company	South Africa	50.0%
Clint Digital ApS	Sales company	Denmark	50.1%

24 Commitments, contingencies, operating lease commitments and pledges

The Group has entered into commercial leases for certain motor vehicles and items of machinery. These leases have an average life of between three and five years with no renewal option included in them. There are no restrictions placed upon the Group by entering into these leases. Furthermore, the Group has entered into operating leases for buildings (offices and warehouses, etc.).

Future minimum payments under non-cancellable operating leases are as follows:

DKK'000	2015
Within one year	13,340
After one year, but not more than five years	39,726
More than five years	5,866
	58,932

EET A/S is jointly and severally liable for the Group's bank loans of DKK 761 million.

EET A/S has executed a share pledge over its shares in EET Holding A/S and further in EET Group A/S as security for loans under the Facility Agreement. Further, a number of subsidiaries of EET Group A/S have been pledged. Assets in certain subsidiaries have been pledged to a maximum of DKK 30 million.

The Group's lease of the central warehouse is on a 4-year non-cancellable agreement starting 1 September 2012. If EET cancels the lease after 5 years, EET must pay DKK 2.5 million to the lessor, and the contingent payment will be reduced by DKK 0.5 million per year until 2022.

The Group is party to a number of pending tax audits and lawsuits. In Management's opinion, apart from the receivables and payables recognised in the statement of financial position, the outcome of these tax audits and lawsuits is not expected to affect the Group's financial position.

The parent is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint and several unlimited liability for Danish corporate income taxes, etc. The Group as a whole is not liable to other parties.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

25 Related party disclosures

The financial statements include the financial statements of the Group and the subsidiaries in the following table:

Name	Principal activities	Country of incorporation	% equity interest 2015
EET Holdings A/S	Subholding	Denmark	100.00%
EET Group A/S	Group activities	Denmark	100.00%
EET Europarts A/S	Sales company	Denmark	100.00%
EET International A/S	Sales company	Denmark	100.00%
Sandberg A/S	Sales company	Denmark	50.10%
EET Europarts AS	Sales company	Norway	100.00%
EET Europarts AB	Sales company	Sweden	100.00%
Wiktors AV-Line AB	Sales company	Sweden	100.00%
EET Europarts OY	Sales company	Finland	100.00%
EET Italy S.R.L	Sales company	Italy	92.50%
Intelligent Distribution SA	Sales company	Spain	93.50%
EET Europarts SAS	Sales company	France	92.50%
EET Europarts B.V.	Sales company	Holland	100.00%
EET Europarts GmbH	Sales company	Germany	100.00%
Rijnmond Supplies GmbH	Sales company	Germany	100.00%
EET Europarts Ltd	Sales company	United Kingdom	94.00%
EAF Supply Chain Ltd	Sales company	United Kingdom	50.10%
EAF Supply Chain Holding Ltd	Subholding	United Kingdom	100.00%
EET Schweiz GmbH	Sales company	Switzerland	100.00%
EET Polska Sp. Z o.o	Sales company	Poland	55.00%
EET Europarts GmbH	Sales company	Austria	80.00%
EET Europarts spol. s r.o	Sales company	Czech Republic	80.00%
EET Europarts Egypt Ltd	Sales company	Egypt	51.00%
Lothar Finance Egypt	Subholding	Egypt	100.00%
EET Europarts Ukraine	Sales company	Ukraine	100.00%
Europarts France SAS (in bankruptcy)	Sales company	France	100.00%
Europarts Distribérica SA	Sales company	Spain	100.00%
Europarts Czech s r.o	Sales company	Czech Republic	100.00%
Cashpos Systems AS in liquidation	Sales company	Norway	100.00%

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31 December 2015):

DKK'000	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Dividend paid
Joint ventures within the Group:				
EET Europarts RUS, ZAO	2,241	0	1,321	0
EET Europarts (Pty) Ltd.	1,048	0	913	0
Clint Digital ApS	1,812	0	4,042	0

Transactions with Executive Board and key management personnel in 2015

DKK'000	Wages and salaries incl. pensions	Dividend	Interest expenses	Loan to EET
Executive Board and key management personnel	7,867	0	727	20,000

Interest rates on the loans are 6 % p.a. No repayment done in 2015.

Transactions with Executive Board and key management personnel include transactions with companies controlled by the key management personnel.

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

25 Related party disclosures (continued)

The ultimate parent

The ultimate parent of the EET Group is FSN Capital GP IV Limited, 11-15 Seaton Place, St. Helier, Jersey. There were no transactions in the year between the EET Group and FSN Capital GP IV Limited.

26 Business combinations

Acquisitions in 2015

EET A/S is a European leading distribution company operating in business areas such as: Server, Computer & Printer Parts, Storage & Network, Mobile Parts & Accessories, Home Entertainment & Lifestyle Electronics, Surveillance & Security, Professional AV & Digital Signage, Point of Sale & Auto-ID and Logistical Services.

Other acquisitions relates to Barex AS in Norway and Rijnmond Supplies GmbH in Germany.

The fair values of the identifiable assets and liabilities of EET A/S, Barex AS and Rijnmond Supplies GmbH (other) at the date of acquisition were:

DKK'000	Fair value recognised on acquisition of EET A/S	Fair value recognised on acquisition of other
Assets		
Technology	252,944	0
Customer relationships	368,217	0
Brand	34,054	0
Property, plant and equipment	13,567	356
Deposit	7,708	0
Deferred tax assets	7,576	0
Investments in joint ventures	2,432	0
Inventories	148,763	1,972
Trade receivables	250,122	3,191
Trade receivables from joint ventures	2,119	0
Income tax receivable	1,707	0
Other receivables	10,482	138
Prepayments	10,268	91
Cash	45,215	2,865
	1,155,174	8,613
Liabilities		
Provisions	4,036	0
Interest-bearing loans and borrowings	206,098	0
Deferred tax liabilities	144,257	0
Trade payables	235,879	1,951
Income tax payable	15,446	329
Other payables	123,685	1,836
	729,401	4,116
Total identifiable net assets at fair value	395,094	4,497
Minorities	30,679	0
Goodwill arising on acquisition	556,033	9,871
Purchase consideration transferred		
Net cash acquired with the subsidiary included in cash flows from investing activities	-45,215	-2,865
Net cash outflow	905,912	11,503

Consolidated financial statements for the period 6 February - 31 December

Notes to the financial statements

26 Business combinations (continued)

The purchase price paid for EET A/S (100%) (former name) and its subsidiaries was DKK 906 million. The net assets are listed above.

Costs related to the acquisition of EET A/S amount to DKK 16 million and are included as special items in the income statement.

The purchase price paid for Barex AS (100%) and Rijnmond Supplies GmbH (100%) was DKK 12 million, net. Barex AS was acquired 28 August 2015 and Rijnmond Supplies GmbH was acquired 19 August 2015.

Further minor activities with a goodwill of DKK 3 million has been acquired in 2015.

27 Issued capital

Authorised shares

DKK'000	2015
A shares	3,750
B shares	14,560
C shares	3,640
	21,950

Ordinary shares are fully paid in.

DKK'000	Share capital
At 6 February 2015	50
Capital increase, 7 April 2015	450
Capital increase, 10 April 2015	21,206
Capital increase, 17 April 2015	175
Capital increase, 15 June 2015	69
At 31 December 2015	21,950

Each class A share carries 1 vote and each class C share carries 10 votes. None of the class B shares carries any votes. The shares nominal value is DKK 1 pr. Share.

28 Standards issued, but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are as follows: IFRS 9 and subsequent amendments to IFRS 9, IFRS 7 and IAS 39, IFRS 14, IFRS 15, IFRS 16, amendments to IAS 16 and 38, amendments to IAS 27, amendments to IAS 16 and IAS 41, amendments to IFRS 10, 11, 12, 16 and to IAS 28, amendments to IAS 1 and annual improvements to 2012-2014 cycle.

Of these are amendments to IAS 16 and 38, amendments to IAS 16 and IAS 41, amendments to IAS 27, amendments to IFRS 11 amendments to IAS 1 and annual improvements to 2012-2014 cycle are approved by EU.

In the opinion of Management, all new standards and interpretations will not materially impact recognition and measurement of assets and liabilities in financial statements in the coming financial years, but further analyses will be prepared.

29 Events after the reporting period

No events have occurred after the balance sheet date to this date which would influence the evaluation of this group financial statement.

Parent company income statement for the period 6 February to 31 December

Note	DKK'000	2015
	Revenue	1,470
	Gross profit	1,470
	Other expenses	-1,611
5	Staff costs	-350
	Operating loss	-491
8	Share of loss in subsidiaries after tax	-9,088
6	Finance costs	-10
	Loss before tax	-9,589
7	Income tax expense	117
	Loss for the year	-9,472
	Attributable to:	
	Shareholders in EET A/S	-9,472

Parent company statement of comprehensive income for the period 6 February to 31 December

Note	DKK'000	2015
	Loss for the year	<u>-9,472</u>
	Total comprehensive income, net of tax	<u>-9,472</u>
	Attributable to:	
	Shareholders in EET A/S	<u>-9,472</u>

Parent company statement of financial position at 31 December

Note	DKK'000	2015
	ASSETS	
	Non-current assets	
8	Investments in subsidiaries	467,607
	Total non-current assets	467,607
	Current assets	
	Joint taxation receivable	4,672
	Group receivables	698
	Total current assets	5,370
	TOTAL ASSETS	472,977
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	21,950
	Retained earnings	444,941
	Total equity	466,891
	Liabilities	
	Current liabilities	
	Trade payables	597
7	Income tax payable	4,555
	Other payables	934
	Total current liabilities	6,086
	Total liabilities	6,086
	TOTAL EQUITY AND LIABILITIES	472,977

Parent company cash flow statements for the period 6 February - 31 December

Note	DKK'000	2015
	Operating activities	
	Operating profit	-491
	Working capital adjustments:	
	Change in trade and other receivables	-698
	Change in trade and other payables	984
	Interest paid	-10
	Net cash flows from operating activities	215
	Investing activities	
	Acquisition of subsidiary, net of cash	-512,216
	Net cash flows from investing activities	-512,216
	Financing activities	
	Proceeds from the issue of share capital	511,951
	Net cash flows from financing activities	511,951
	Net decrease in cash	-50
	Cash at 6 February 2015	50
	Cash at 31 December 2015	0

Parent company statement of changes in equity for the year ended 31 December

	Shareholders in EET A/S			Total equity
	Share capital	Net revaluation under the equity method	Retained earnings	
Equity at 6 February 2015	50	0	0	50
Loss for the year	-	-9,088	-384	-9,472
Transfer	-	9,088	-9,088	0
Other comprehensive income	-	0	0	0
Total comprehensive income	-	0	-9,472	-9,472
Transactions with shareholders				
Capital increase	21,900	0	490,558	512,458
Foreign currency translation reserve	-	-4,302	0	-4,302
Cash flow hedge reserve	-	-6,198	0	-6,198
Equity adjustments in subsidiary	-	-	-25,645	-25,645
Transfer	-	10,500	-10,500	0
Total transactions with shareholders	21,900	0	454,413	476,313
Equity at 31 December 2015	21,950	0	444,941	466,891

Parent company financial statements for the period 6 February - 31 December

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Parent company financial statements for the period 6 February - 31 December

Notes to the financial statements

1 Corporate information

The Group is incorporated and domiciled in Denmark. The registered office is located in Birkerød.

2 Basis of preparation

The parent company financial statements of EET A/S are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Company was established on 6 February 2015 and acquired the EET Group on 10 April 2015.

These financial statements for the year ended 31 December 2015 are the first financial statements prepared by the Company.

The parent company financial statements are presented in DKK, which is the parent's functional currency, and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

The accounting policies of EET A/S are the same as for the consolidated financial statements with the additions below. For a description of the accounting policies for the consolidated financial statements, please refer to page 16-25.

The Company has early implemented equity method for recognition of investments in subsidiaries in accordance with IAS 27.

3 Supplementary accounting policies for the parent company

Investments in subsidiaries

The Company's investments in its subsidiaries are accounted for using the equity method.

Under the equity method, the investments in subsidiaries are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiary. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when a change has been recognised directly in the subsidiary's equity, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and its subsidiaries are eliminated to the extent of the interest in the subsidiary.

The aggregate of the Company's share of profit or loss of a subsidiary is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the loss as "Share of profit of a subsidiary" in the income statement.

Parent company financial statements for the period 6 February - 31 December

Notes to the financial statements

DKK'000	6/2 - 31/12 2015
4 Fees to auditors appointed at the annual general meeting	
Statutory audit	200
Other assurance services	50
Tax and VAT advisory services	25
Other services	150
Total	425
5 Staff costs	
Wages and salaries	350
Total staff costs	350
Average number of employees	0
Remuneration to the Executive Management Board and the Board of Directors	
Wages and salaries	350
6 Finance costs	
Interest expenses, group entities	10
Total finance costs	10
7 Income tax	
Major components of the income tax expense for the year ended 31 December 2015:	
Income statement	
<i>Current income tax:</i>	
Current income tax charge	117
Income tax expense in the income statement	117
Loss before tax	-9,589
Calculated at Denmark's statutory income tax rate of 23.5%	2,253
Adjustments in respect of losses in subsidiary after tax	-2,136
Income tax expense reported in the income statement	117

Parent company financial statements for the period 6 February - 31 December

Notes to the financial statements

8 Investment in subsidiary

DKK'000	2015
Cost at 6 February 2015	0
Additions	512,840
Cost at 31 December 2015	512,840
Value adjustment at 6 February 2015	0
Loss on ordinary activities after tax	-9,088
Foreign currency translation reserve	-4,302
Cash flow hedge reserve	-6,198
Equity adjustments in subsidiaries	-25,645
Value adjustments at 31 December 2015	-45,233
Carrying amount at 31 December 2015	467,607

Name	Principal activities	Country of incorporation	% equity interest 2015
EET Holdings A/S	Subholding	Denmark	100.00%

9 Commitments and pledges

EET A/S is jointly and severally liable for the Group's bank loans of DKK 761 million.

EET A/S has executed a share pledge over its shares in EET Holding A/S and further in EET Group A/S as security for loans under the Facility Agreement. Further, a number of subsidiaries of EET Group A/S have been pledged. Assets in certain subsidiaries have been pledged to a maximum of DKK 30 million.

EET A/S is jointly taxed with its Danish subsidiaries. The entities included in the joint taxation arrangement have joint and several unlimited liability for Danish corporate income taxes, etc.

10 Financial risk management objectives and policies

The Company has only investment in the subsidiary EET Holdings A/S and does not have any significant receivables or debt. Risk related to currency, credit and liquidity is maintained on group level. Please refer to note 21 for further information on the Group's exposure to the risk.

11 Capital management

The primary objective of the Company's capital management is to maximise shareholder value which is maintained on Group level. Please refer to note 21 for further information on the Groups Capital management.

12 Related parties

Related parties are described in note 25 of the Group Financial Statement. Remuneration to Board of Directors are listed in note 5 the Group Financial Statement. The Company does not have any other related party transactions.

13 Issued capital

Issued capital is described in note 27 of the Group Financial Statement.

14 Standards issued, but not yet effective

Standards issued, but not yet effective are described in note 28 of the Group Financial Statement.

15 Standards issued, but not yet effective

No events have occurred after the balance sheet date to this date which would influence the evaluation of this financial statement.