EET A/S

Bregnerødvej 133D, DK-3460 Birkerød

CVR no. 36 53 53 26

Annual report 2021

Approved at the Company's annual general meeting on 9 June 2022

Chair of the annual general meeting:

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Jan Holmetoft Iversen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of EET A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2021.

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

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

Birkerød, 9 June 2022
Executive Board:

Søren Drewsen CEO	Jan Holmetoft Iversen CFO

Board of Directors:

Claus Ring Chair	Dennis Funch Jensen	Søren Drewsen

Independent auditor's report

To the shareholders of EET A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of EET A/S for the financial year 1 January – 31 December 2021, which comprise income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and 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 requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Independence

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 9 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised
Public Accountant
mne33732

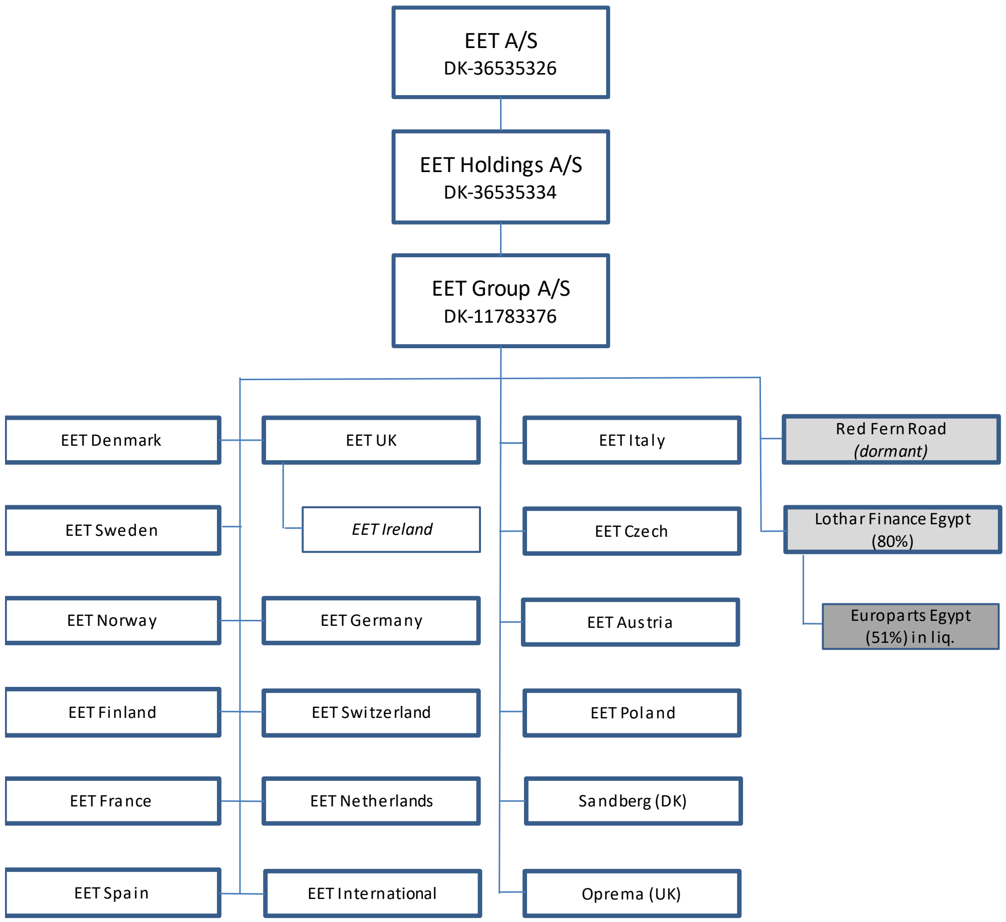
Management's review

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	1 January – 31 December
Website	www.eetgroup.com
Telephone	+45 45 82 19 19
Board of Directors	Claus Ring, Chair Dennis Funch Jensen Søren Drewsen
Executive Board	Søren Drewsen, CEO Jan Holmetoft Iversen, CFO
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, DK-2000 Frederiksberg

Management's review

Group chart



100% ownership if not stated otherwise

Grey entities are without commercial activity.

Principal activities of the Group

The objective of EET A/S is to invest in companies carrying on activities within development, sale and marketing of IT technology products in Europe. EET A/S is the ultimate parent company of the EET Group as per 31 December 2021.

EET's ambition is to be the preferred and most efficient value-added IT distributor in the European market with the strongest assortment and the deepest know-how within our lines of business. EET markets more than 1,100 trademarks and more than 1.1 million item numbers spread across 6 primary product areas.

EET A/S' subsidiary, EET Group A/S, which carries out the main operations of the Group, enjoys a leading position in the European market. EET Group A/S is present in 16 countries having more than 25 local sales offices, which are marketed under the name EET, all focusing on the following product areas:

- Professional Audio Video equipment & Digital Signage products
- IT components and supplies for computers, servers, storage, mobile devices and printers
- Network solutions and products
- Video surveillance and security products
- Consumer electronics
- Point of Sale (POS) & Auto ID equipment

In 2021, EET further strengthened its market positions and lines of business through 2 additional acquisitions – Oprema in the UK and CCTV in Spain – both specialized in the fast-growing market for Surveillance and Security solutions.

Management's review

Since the foundation of EET a total of 46 acquisitions have been made – and 21 of these have been made during the last 5 years.

Development in activities and financial position

The implementation of the strategic masterplan set out in late 2017 continued in 2021, being well on track. 2021 was a good year thanks to the great support from our more than 30.000 buying customers and our more than 1.100 suppliers - and of course due to the massive effort by EET's 700 employees.

Consolidated revenues grew almost 30% - or DKK 979 million – fuelled by an organic growth of DKK 676 million (21%) and acquisitive growth of DKK 303 million. The growth was spread across all geographies and across 5 out of 6 product areas thereby cementing the strong market position of the group.

Product profit grew by DKK 154 million (23%) to DKK 821 million, while EBITDA, excluding Special Items, improved by DKK 85 million (29%) to DKK 376 million.

Net profit after tax amounts to DKK 160 million and includes acquisition costs of DKK 18 million, all related to the 2 acquisitions made during the year.

The results are considered very satisfactory and are contributed to the outstanding EET operating model in which heavily investments have been the last years.

All new companies are tapping into the model whereby all entities are operating from a common technology platform. This gives us a unique proposition towards customers and suppliers: More than 400 sales and product specialists across 16 countries can offer outstanding service from a common technology stack providing second-to-none data insights and know how.

The backbone of EET is configured allowing for scaling up the business in a profitable way. EET offers a convenient and professional link between thousands of suppliers and thousands of customers in the quite complex and fast-moving market for value-add distribution.

DKK'000	2021	2020	2019	2018[1)2)]	2017[1)2)]
Key figures					
Revenue	4,270,703	3,291,318	3,293,078	3,246,316	2,698,728
Product profit	821,261	667,612	622,062	585,478	531,037
Gross profit	764,664	617,834	559,777	502,604	458,666
EBITDA before special items[3)]	376,474	291,900	222,258	163,150	165,179
Ordinary operating profit before special items	281,901	191,774	76,911	34,040	66,636
Special items	-17,815	-1,128	-15,407	-13,088	-15,171
Ordinary operating profit	264,086	190,646	61,504	20,952	51,465
Financial income and expense, net	46,023	65,290	-58,829	-65,279	-51,425
Profit/loss for the year	159,899	83,771	-10,228	-47,666	-14,943
Total assets	2,465,276	2,081,277	1,989,666	2,098,737	1,924,740
Additions to property, plant and equipment	23,242	18,636	12,030	18,276	13,935
Equity	589,107	438,886	365,567	376,815	431,808
Net cash flows from operating activities	75,106	233,985	118,964	147,377	-88,924
Net cash flows from investing activities	-141,997	-22,186	-13,405	-158,562	-101,957
Net cash flows from financing activities	5,941	-149,665	-104,897	130,699	49,043
Total cash flows	-60,950	62,134	663	119,514	-141,838
Financial ratios					
Gross margin	17.9%	18.8%	17.0%	15.5%	17.0%
EBITDA before special items ratio	8.8%	8.9%	6.7%	5.0%	6.1%
Operating margin	6.6%	5.8%	1.9%	1.0%	2.5%
Solvency ratio	23.9%	21.1%	18.4%	18.0%	22.4%
Average number of full-time employees	660	550	589	586	494

1) Excluding impact of IFRS 9 and IFRS 15
2) Figures are not restated with the impact of the implementation of IFRS 16 from 1 January 2019
3) Operating profit before depreciation, amortisation and special items according to the income statement

Management's review

Financial ratios

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

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

Operating review

Capital structure and dividend

The Board of Directors regularly assesses whether the Group's capital structure is in line with the interests of the Group and its stakeholders. The overall objective is to ensure a capital structure that supports long-term profitable growth.

EET A/S' capital is divided into 22,333,825 shares of a nominal value of DKK 1. FSN Capital had control over the Company through its parent company, FSN Capital GP IV Limited.

On February 3, 2022, FSN Capital sold it shares in EET. Today EET is owned by the Executive Board and other key personnel of the group.

The Board of Directors proposes to the annual general meeting that no dividend should be declared in respect of the financial year 2021 and that the consolidated profit of DKK 160 million should be transferred to retained earnings.

At 31 December 2021, the Group's capital resources totalled DKK 146 million, including cash and unused credit facilities.

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 currencies, 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.

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.

Management's review

ESG report

ESG impacts through the value chain

A substantial part of EET's business is to provide spare parts for electronic devices, thereby extending the lifespan of the devices themselves. By doing so, EET contributes to a more sustainable and environmentally friendly approach to the rapid growth in use of technology hardware. EET needs to closely monitor in particular:

i. the conditions under which the products are produced,

ii. the potential impacts on end-user safety, and

iii. the potential impact of the dual use of products for unethical purposes.

Electronic waste presents an environmental impact through the value chain that must be managed through efficient stock management, clear supplier requirements and strict guidelines and processes for handling and disposing of electronic waste.

The environmental impacts of production and the sourcing of raw materials are also important parts of EET's footprint.

The ESG report is reviewed against level and procedural requirements by our financial auditors as part of the Annual Financial Statement. The report is written in accordance with the requirements stated in the Danish Financial Statements Act §99a and §99b.

Our ESG efforts are also reviewed on an annual basis against legal and practise developments by an external specialist auditor.

Looking through our value chain the ESG impacts at each step can be illustrated as follows:

RAW MATERIAL SUPPLY	SUPPLIERS PRODUCTION OF ELECTRONIC PARTS	MARKETING, STORAGE AND DISTRIBUTION	CUSTOMERS - RE-SELLERS AND END-USE
1. RESPONSIBLE AND ACTIVE SUPPLY CHAIN MANAGEMENT		2. A TRUSTED AND ETHICAL BUSINESS PARTNER 3. A GREAT PLACE TO WORK	5. ENSURE SAFE AND SATISFIED CUSTOMERS AND CONSUMERS
	4. MINIMISE ENVIRONMENTAL IMPACTS THROUGH THE VALUE CHAIN		
· Labour conditions and human rights · Conflict minerals · Sanctioned countries	· Labour conditions and human rights · Sustainable packaging in the supply chain	· Anti-corruption and integrity · Employee health and safety · Employee satisfaction and development · Diversity and anti-discrimination · Product offering to enhance electronics' longevity · Internal waste management · Operational climate impact · Sustainable packaging to customers · Tax policies and payments	· Product quality and safety (customer satisfaction) · Customer privacy · Dual use · Sanctioned countries · Climate impact of transport and shipping · Product offering to enhance end-use energy efficiency · Electronic waste (WEEE)

Management's review

ESG report (continued)

In section 4 of this report, we will look at each part of the value chain and go through:

a. our ambitions for 2021,
b. our activities and results 2021,
c. the KPI's for 2021 and
d. the ambitions for 2022

for each of the 5 areas defined:

1. Responsible and active supply chain management
2. A trusted and ethical business partner
3. A great place to work
4. Minimise environmental impacts through the value chain

   Ensure safe and satisfied customers and consumers

Management's review

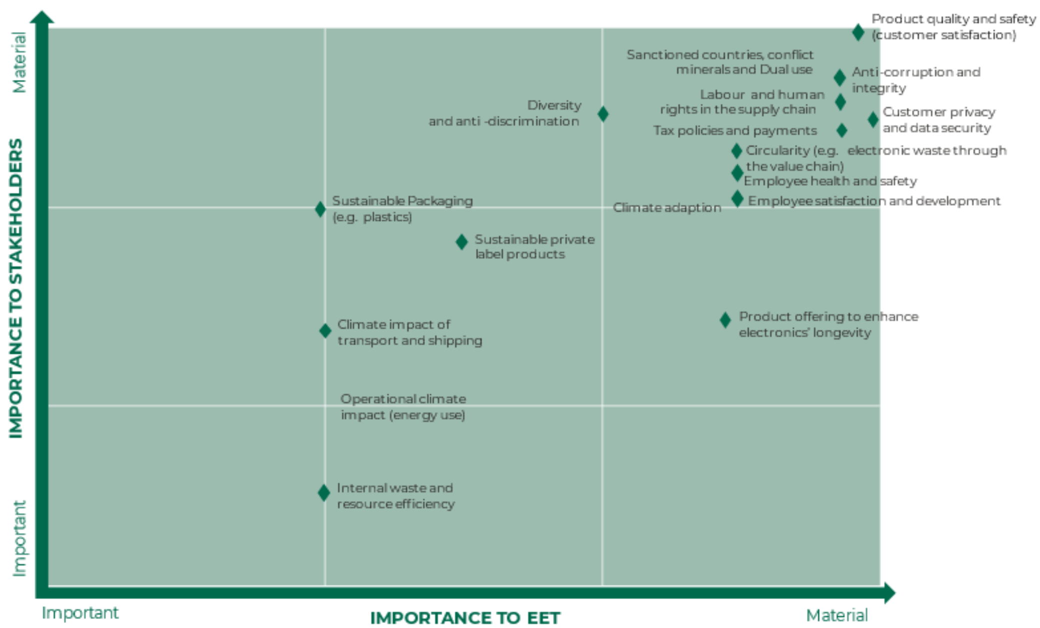
ESG report (continued)

ESG risks and opportunities

Innovation in the field of electronic devices moves quickly and it has become common to replace electronic devices frequently. These practices lead to a high amount of electronic waste that is neither being reused nor recycled.

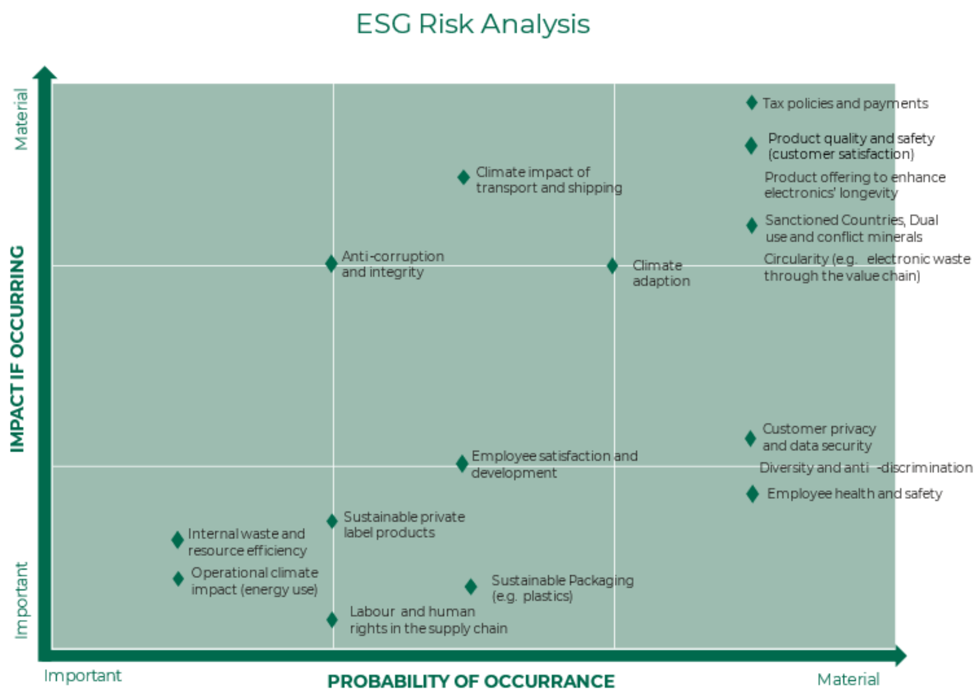
EET serves a growing need among customers and end-users to maintain and update electronic devices. Positioning the business to meet this growing need is an opportunity at the core of the business model. The supply of spare parts extends the life cycle of the repaired equipment, and it reduces waste from an otherwise scrapped piece of equipment. However, the production of electronic parts and devices may involve negative environmental impacts or poor labour conditions, both of which must be avoided. Some products might also be used for unethical purposes or by people in countries that are under sanctions. Corruption and unethical conduct may be present in parts of the value chain, as EET deals with many suppliers and customers across the globe. EET has an opportunity to contribute to SDG 17, sustainable consumption, and production patterns. This particularly the case with the management of natural resources, waste, increasing recycling and increasing transparency in supply chains.

ESG Materiality Assessment



Management's review

ESG report (continued)



The ESG Materiality Assessment and the ESG Risk Analysis provides and assessment of each of the areas within Environment (E), Social (S) and Governance (G) and indicates the impact and therefore priority and focus each element has in relation to the operations of EET. This does not mean that we do not work with the less critical topics, but it should be put into the perspective of criticality.

UN Sustainable Development Goals

Based on our business strategy and priorities in the years to come, we have carefully analysed the priorities of our stakeholders, the risks and opportunities presented by e.g. market/demand changes, regulations, climate, and we have assessed where amongst these we can make the biggest impact.

We are impacted by the world around us, but the world is also impacted by us and by what we do.

Ultimately, we have a business to run, but there are many ways to run it.

We have chosen to illustrate our efforts in the context of the UN Sustainable Development Goals (SDGs) of which we have chosen to focus on six:

- No. 5: Gender equality
- No. 8: Decent Work and Economic Growth
- No. 12: Responsible Consumption and production
- No. 13: Climate Action
- No. 15: Life on Land
- No. 16: Peace, Justice and Strong Institutions

Management's review

ESG report (continued)

KEY FOCUS AREAS FOR EET	
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable Consumption and production patterns.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts.
15 LIFE ON LAND	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful, and inclusive societies.

KEY ESG GOALS

1. RESPONSIBLE AND ACTIVE SUPPLY CHAIN MANAGEMENT

AMBITIONS 2021

- We will ensure that ALL new vendors are asked sign our terms & conditions (as opposed to us signing theirs) or the SAQ (Vendor Self-Assessment Questionnaire) as well as an ESG agreement. We expect this to apply to about 40 new vendors (hereof 25-30 in Private Label).
- We will thus ensure to maintain that vendors covering 98% or more of EET spend are either publicly listed (=approved ESG policy), have an approved ESG policy, or have completed the EET SAQ. This also applies to ALL Private Label vendors.
- For vendors that refuse the above we will consider discontinuing cooperation.
- We will also work with the remaining about 770 vendors (covering only 5% spend) but on a more selective basis.
- We will perform 20 audits (or reaudits) and gradually increase audit capacity over the next 3 years. Audits are repeated every 3 years.

EFFORTS AND PERFORMANCE 2021

Private Label products

- During 2021 we have had our SAQ (self-assessment questionnaire) and audit checklist reviewed and updated by an external Quality Management Systems specialist. During 2021 SAQs were sent to top 100 Private Label vendors including 10-15 new vendors (all in all covering 98% of our Private Label spend). 40 vendors received the updated version of the SAQ. 95% had replied by late December. We will keep following up on missing replies. None of the SAQ replies caused us to reconsider our cooperation with the vendors. Only a few SAQ caused questions to minor issues. In those cases, we had a dialogue with the vendor to clarify EET requirements and correct any misunderstandings.

Legal background company checks were performed on top 30 Chinese suppliers of our Private Label products. There were no critical findings in these checks.

For our Private Label vendors 5 audits were scheduled for late 2021, but due to Covid-19 lockdowns in factory areas (Ningbo and Dongguan), we were not able to perform the audits. The scheduled audits will be performed as soon as the situation allows.

Other vendors

- 8% of vendors covering 91% of spend have completed our SAQ (i.e. either they are publicly listed OR they have signed to adhere to our requirements). We do not audit OEM suppliers. Quality control is measured via RMA registrations.
- We ensure through vendors signing our agreement or completing the SAQ that we do not buy products with conflict minerals nor with dual use options.
- We ensure that we do not buy from sanctioned countries through tight governed processes where several checks are done including check on sanctions.

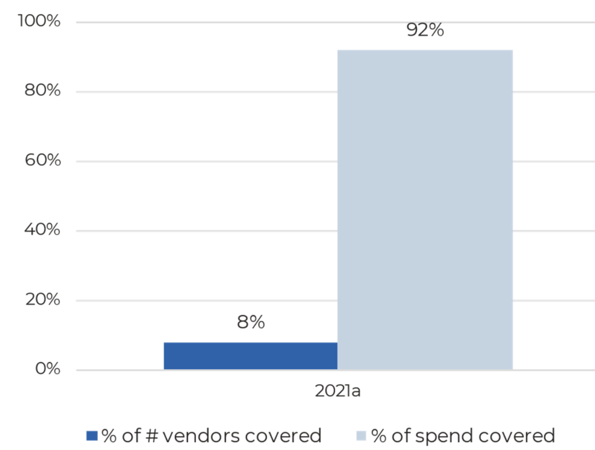
KEY ESG GOALS

1. RESPONSIBLE AND ACTIVE SUPPLY CHAIN MANAGEMENT

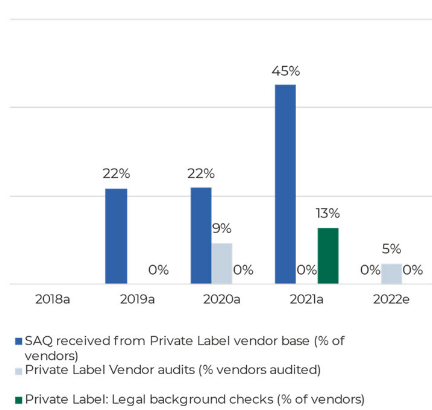
KPI'S

The KPI's in this section are measured via our registers of SAQs and audit reports

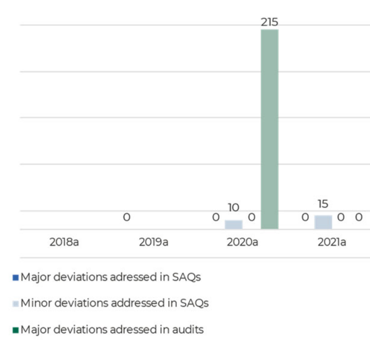
SHARE OF TOTAL VENDOR BASE COVERED BY EET AGREEMENT OR SAQ OR IS A PUBLICLY REGISTERED COMPANY



PRIVATE LABEL SAQ'S, LEGAL BACKGROUND CHECKS AND AUDITS (% OF VENDORBASE)



PRIVATE LABEL MAJOR AND MI DEVIATIONS AND FINDINGS



AMBITIONS 2022

- For our Private Label area, we will develop a risk/importance vendor ESG evaluation matrix based on SAQ, legal background check and audits (where available). Top 50 Private Label vendors should be evaluated.
- We will also Send SAQ to all new vendors plus top 100-200 Private Label vendors (those not audited in 2021). SAQ frequency will be set to 2 years going forward.

KEY ESG GOALS

1. RESPONSIBLE AND ACTIVE SUPPLY CHAIN MANAGEMENT

- Further, we will solicit legal background checks will be performed to cover top 50 Chinese Private Label suppliers.
- We expect to do 5-10 audits at selected Private Label suppliers based on their risk assessment (as mentioned above).
- In vendor management in general, during 2022 we will implement a contract management system enabling us to handle our supplier base in a more uniform and structured way. This implies that like for our Private Label vendors we will have a SAQ frequency of 2 years.

KEY ESG GOALS

2. A TRUSTED AND ETHICAL BUSINESS PARTNER

AMBITIONS 2021

- We will ensure that our policies and other documents describing our preferred culture are continuously updated to keep up with changes in focus and trends the societies where we operate.
- We will ensure that these documents "live" with our employees and thus define our culture. We will look into the possibility of offering e-learning on these topics, and we will focus our follow-up discussions on e.g. employee engagement survey to reflect new or enhanced areas of priority.
- We will introduce a more elaborate stand on behaviour and wellbeing as well as ways to work with this in a both preventive and curative manner.
- Particularly for the Whistle-blower policy we will introduce a possibility to report anonymously in line with changing regulation in the area.
- In order to further sharpen our people analytics basis, we will implement a human resource management system.

EFFORTS AND PERFORMANCE 2021

- We regularly review and update (where needed) our policies, handbooks, and similar.
- We have introduced digital signing with a link to where policies are via the HR system (BambooHR) – this is sent as tasks to new hires all via onboarding
- We have prepared issue of a digital signing via the HR system (BambooHR) to all employees – this will be implemented with the next bulk issue of new policies
- We have reviewed the options and costs of having an external provider of e-learning as well as using our current sales training tool for Governance e-learning. Currently this approach is not prioritized. Test questions and answers have however been prepared for when this will be launched.
- We have issued a separate policy (Code of Conduct) with special focus on behaviour and wellbeing
- Specific wellbeing material has been added to the dialogue templates communicated to managers in relation to the annual engagement survey.
- An external whistle-blower agreement has been entered into with our employment law firm and information updated in the whistle-blower policy.
- We have analysed the market for HR systems, selected a software and implemented it. Our choice is BambooHR after vetting 20 systems. It was rolled out in June 2021. Functionality enhancement will continue an ongoing basis.
- We have solicited a thorough due diligence assessment of our Governance efforts and the recommendations of PwC have been considered when setting the future ambitions.

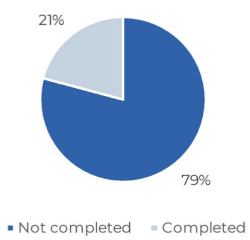
KEY ESG GOALS

2. A TRUSTED AND ETHICAL BUSINESS PARTNER

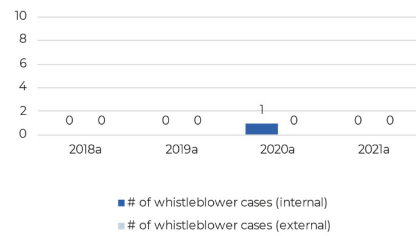
KPI'S

The KPI's in this section are measured through our HR system as well as a manual register

SHARE OF NEW HIRES THAT COMPLETED THE POLICY ONBOARDING TASK



WHISTLE BLOWER CASES



AMBITIONS 2022

Continue regular update of policies and handbooks

Monitor digital signing of policies via BambooHR – our aim is as close to 100% as possible

Continue external audit of our Governance efforts. Change of ownership means that we will have to recontract an audit partner.

Continue use of external software to calculate our CO2 footprint. Change of ownership means that we will have to recontract a software partner.

Find a solution to train policies and how to introduce internal audits and controls testing.

KEY ESG GOALS

3. A GREAT PLACE TO WORK

AMBITIONS 2021

- We wish to further promote a culture of respect and wellbeing and we will work with specific initiatives to create awareness of how to prevent disrespectful behaviour.
- We will work with employee Growth through our continued focus on manager/employee dialogues (performance review, development conversations and 1to1 touch ins). Also, we will continue to expand offering of training of our sales staff via the app Sales on the GO.
- We will work with Reward - in our biggest entities in Denmark we will implement a structured process for review, and train managers in both review mechanisms and communication. The aligned incentive models for senior directors are being finetuned and further rolled out where appropriate to create transparency, clear governance and to motivate performance.
- We will aim to introduce a KPI for employee attrition.
- Targets for the KPI's in this section will be to remain at the current high level. For actual KPI measures see graphics below.

EFFORTS AND PERFORMANCE 2021

- Our increased ability to produce statistics on gender and age for roles, functions, performance – makes us better understand where there might be imbalances. Age and nationality will be available when employees update this info in BambooHR. Other Diversity, Equity and Inclusion (DEI) measures like e.g. ethnicity is considered of less relevance in our size of organization. Results in our annual engagement survey does not indicate that we have an issue with equal opportunity. We have consciously worked with job postings regarding gender- and age-neutral wording.
- We have Issued a specific policy on behaviour and wellbeing. We have reviewed various ways of training our behaviour and wellbeing Code of Conduct (see previous notes on this)
- We have made sure our annual performance review and development conversation material specifically addresses growth (development). Our annual performance review and development conversation material includes assessment of development needs and have resulted in individual decisions on development activities
- We have developed the use of Sales on the GO for the sales roles. Sales on the GO is now also being used for sales meeting follow-up
- We have developed, introduced, trained managers, and implemented a structured reward review process for employees hired in Denmark (our biggest people entity).
- Further align senior directors' STIP (short term incentive programme). Senior managers' STIP have been further fine-tuned and rolled out. We are on an ongoing basis looking into adjusting KPIs, weights, thresholds, caps, etc.
- We are now able to report on age, gender, and attrition across all our entities, and can now share this transparently. And we have continued to thoroughly measure absenteeism.
- During 2021 we have further structured and overall increased focus on our work with health and safety (H&S) in our main warehouse in Denmark.
  - H&S meeting every Monday morning
  - Safety observation tours are conducted monthly by members of warehouse management
  - All employees have been further trained in use of equipment and work processes
  - All visual signage has been upgraded
  - Various campaigns have been run to increase awareness and preventive behaviour to avoid accidents and near misses

  When the authorities made their regular unannounced audit, we therefore had no major operational deviations.

KEY ESG GOALS

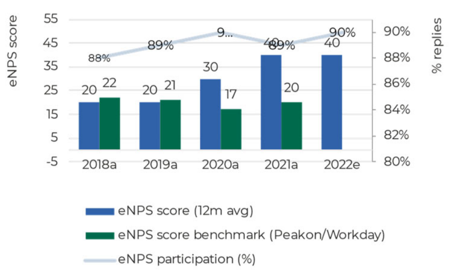
3. A GREAT PLACE TO WORK

KPI'S

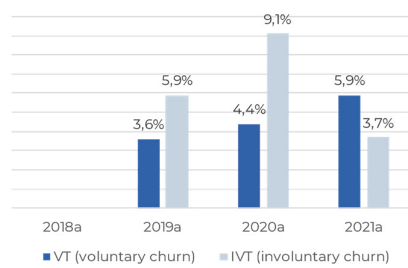
The KPI's in this section are measured as follows:

- eNPS, Trust/diversity/inclusion: part of the annual engagement survey
- Attrition, share of women, age distribution: measured by our HR system
- Absenteeism: measure via weekly input from all entities
- Injuries, number of headcounts, workdays and hours are registered on an ongoing basis

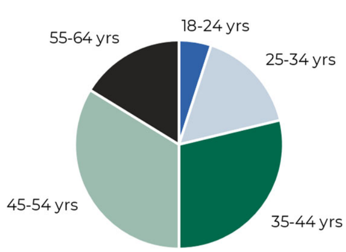
eNPS



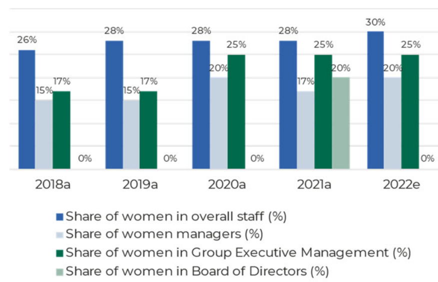
ATTRITION



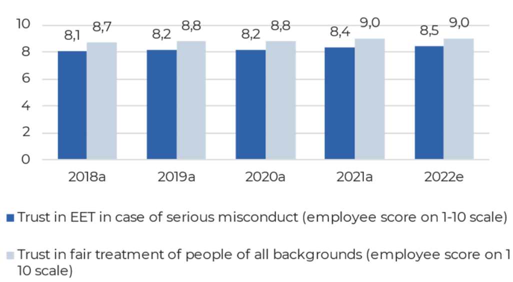
DIVERSITY – AGE DISTRIBUTION



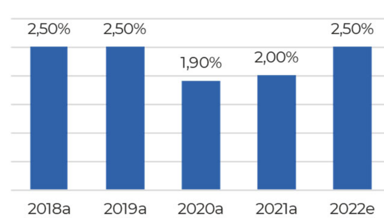
DIVERSITY - SHARE OF WOMEN



TRUST, DIVERSITY, AND INCLUSION



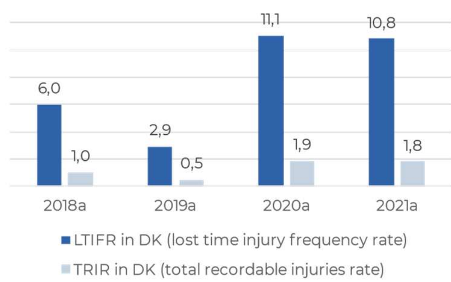
ABSENTEEISM DUE TO ILLNESS - 12M A



KEY ESG GOALS

3. A GREAT PLACE TO WORK

SAFETY KPI's IN EET GROUP (DENMARK)



AMBITIONS 2022

- We will improve the gender balance and will long-term work towards a 50/50 balance in both our total employee base as well as our management roles.
- We will maintain a broad age distribution in our employee base as we believe that diversity creates better work environment.
- We will introduce a functionality in our HR system enabling us to measure the amount of development conversations held
- We will introduce questions in our annual engagement survey to measure the quality of follow-up dialogue meetings related to the engagement survey, the quality of actions and implementation of these as well as the quality of development conversations.
- The approach and standards for H&S that we now have in our main warehouse in Denmark are to be implemented across all our other warehouses during 2022/23. This will be done in alignment with local legislation. We will also set up systems to measure H&S KPIs for these other locations.
- We aim to reduce our injury rates (LTIFR/TRIR) by at least 20%.

KEY ESG GOALS

4. MINIMISE ENVIRONMENTAL IMPACTS THROUGH THE VALUE CHAIN

AMBITIONS 2021

- EET aims to provide CO2 neutral outbound deliveries for the majority of shipments across all markets by 2H2021, this will be done by investing in carbon offsetting projects that will compensate our emissions. We will work with 1-2 providers and the details and benefits of the projects will be communicated to our business partners on relevant delivery notes, as well as on digital and social media. Target is around 220.000 trees per year
- EET invests to win more projects under the EU "right to repair" obligation for manufacturers of white goods appliances and displays. The EU law comes into effect by Nov 2021. One of the core skills of EET, logistics, can thus help reduce e-waste and increase product lifetime. Winning more agreements will remain a strategic priority throughout 2021.
- We aim to be able to measure our efforts more precisely in areas like RMA, Waste segregation and waste reduction.

EFFORTS AND PERFORMANCE 2021

- We have improved the quality, the scope, and the details of CO2 measurements considerably and we now also measure inbound transportation CO2 footprint (where we control this). We have introduced a KPI relating CO2 footprint to inbound and outbound transportation.

  After a year in 2020, where goods due to the Covid disruption of supply chains were both flown in and out to a more than usual degree, things have normalised in 2021. We use logistics unit (LU) as a measure for our shipments to relativise the GHG emissions. In spite of increased activity our CO2 emission has thus decreased.

  We have worked with Ecologi on carbon credits and tree planting to make outbound shipments climate positive. We have done so on a quarterly basis based on forecast and subsequently adjusted for actual shipments. Carbon credits makes our shipments climate neutral and an additional one tree planted for every five shipments make the shipments climate positive. See more on www.ecologi.com/eetgroup. As per end of 2021 we have planted 387.000 trees and we have off set 6.729T carbon footprint.

- Further, we have signed up for million tree pledge whereby we pledge to plant 1 million trees in 5 years. See more on https://www.milliontreepledge.org/pledgers

  We have upgraded our communication about our total ESG efforts so that we now have all documents and other information available:

  - For all employees on the intranet (Blog) as well as in our sales tool *Sales on the GO* app for our sales professionals.
  - For external partners and stakeholders on an elaborate part of our website and also dedicated parts of our corporate presentations both for customers and suppliers. See more on https://www.eetgroup.com/en-eu/about-eet-group/environment-social-governance.
  - On our shipping notes we communicate "Climate positive shipment" to our customers.
  - We introduced a tangible plaquette for customers to visualise their contribution and we also extended this for the EET sales offices.
  - We also introduced a "Green Friday" initiative (supplementing the Black Friday event) where we teamed up with 20 major suppliers planting an additional 200.000 trees.

  The Right to repair solution / service to suppliers were further developed and offered to suppliers. Though it is legislation we have not managed to sign up more suppliers to our services – maybe they do not see their current setup as a problem, or they have not made a strategy for it yet.

KEY ESG GOALS

4. MINIMISE ENVIRONMENTAL IMPACTS THROUGH THE VALUE CHAIN

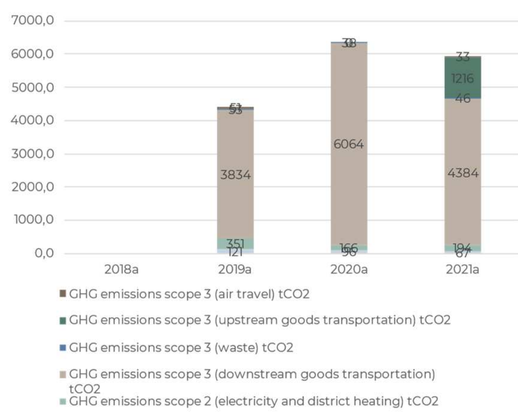
In the month of May we entered into cooperation with a waste handling partner with an own recycling facility and this now allow us to measure a lot more. We segregate a lot more (e.g. electronics components, plastics, food, etc.) and it has also been a more economically viable solutions.

Quality control is performed particularly on items like Private Label batteries, memory modules and laptop screens.

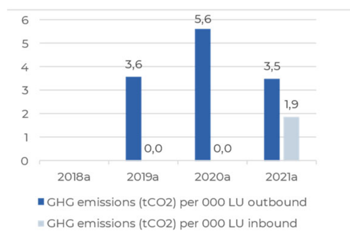
KPI'S

The KPI's in this section are measured via reports on consumption from suppliers and converted to CO2 footprint via a conversion software. Definitions of GHG emissions are based on the GHG Protocol corporate standard and they are measured based on various input from each country i.e. invoiced electricity/heating, freight, travel, company cars, etc.).

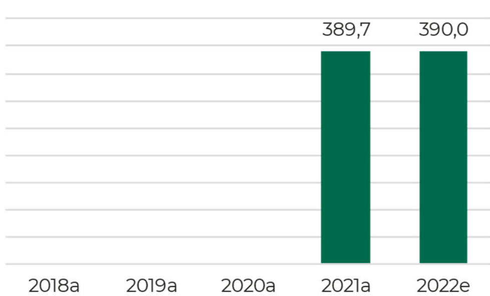
GHG EMISSIONS (tCO2) SCOPE 1, 2, 3



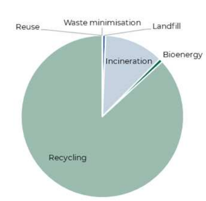
CO2 FOOTPRINT RELATED TO TRANSPORTATION (LU = Logistics Unit)



000 TREES PLANTED (ON TOP OF CO2 OFFSETS FOR OUTBOUND TRANSPORTATION)



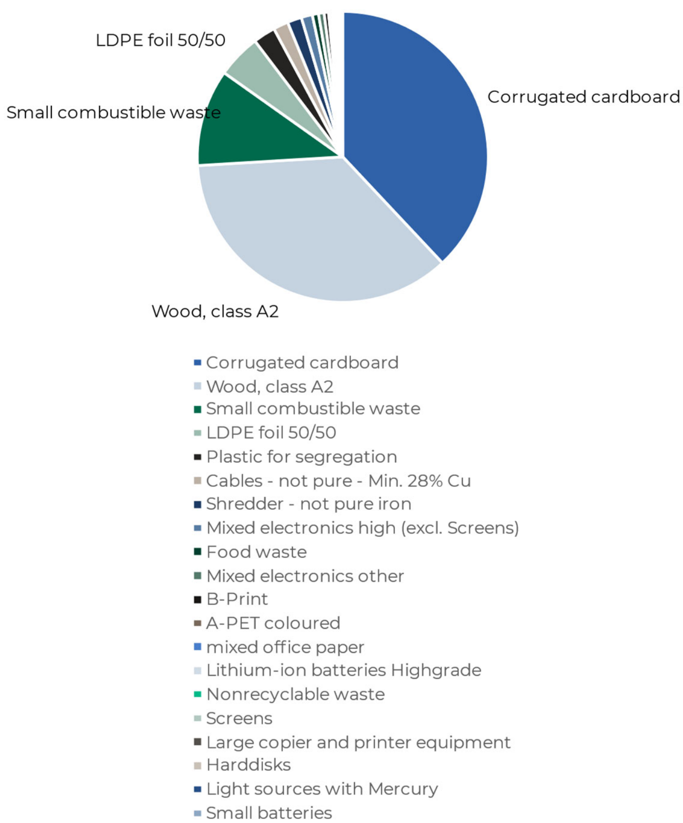
WASTE RECYCLING



KEY ESG GOALS

4. MINIMISE ENVIRONMENTAL IMPACTS THROUGH THE VALUE CHAIN

WASTE SEGRATION



AMBITIONS 2022

We will

- continue our partnership with Ecologi to offer offset as well as additional climate positive outbound shipments. We plan to add 200.000 trees to our online forest (see https://ecologi.com/eetgroup) as well as offsetting app 5.400 T of carbon reduction.
- verify the governance of Ecologi
- include our 2021 acquisition (UK based Oprema) into our climate initiatives.
- continue to offer visual proof of contribution to our customers for the joint efforts related to climate positive outbound shipments.
- continue "Green Friday" initiative in 2022 and engage more suppliers than last year.
- develop our communication on the shipment packaging to communicate our collaboration and initiative with Ecologi.

On the subject of Right-to-repair we do believe that the recent message from producers like Apple on repairability will accelerate the increase of demand for right to repair solutions, and we are working to

KEY ESG GOALS

4. MINIMISE ENVIRONMENTAL IMPACTS THROUGH THE VALUE CHAIN

get ready to supply a service once more items will be covered by the regulations (cell phones and notebooks). We will continue to work on a subscription-based model to offer our services to suppliers.

We will contact our energy provider (electricity is our own agreement) to transition to green electricity. Timing will depend on electricity prices. District heating is sourced via building rental and therefore we have no control over this.

KEY ESG GOALS

5. ENSURE SAFE AND SATISFIED CUSTOMERS AND CONSUMERS

AMBITIONS 2021

- The Satisfaction program will be analysed and changed in order to increase the participation rate. In 2020 the reply share declined, and we wish to turn this around. This will be achieved through working with customer segmentation and differentiated processes and/or offerings.

  Target for cNPS score is 34 as per dec. 2021

In addition to segmentation of our direct customers (B2B resellers, installers, retail and e-tail) we will also work on our customers' customers in industry "verticals" i.e. pharmaceuticals, hospitality (hotels, airports, etc.), transportation, education etc.

We will continue our targeted efforts of enhancing customer interfaces both with

.1. EET sales representatives
.2. EET customer service representatives
.3. EET technical service representatives
.4. Website buying solution
.5. Individual EDI/xml customer solutions

We work with all of these "channels" to improve skills, processes, systems, service and communication to ensure a world class customer experience.

We will look into possibilities to get a deeper understanding of which ESG related priorities our customers have and thus introduce ways to measure and work with these.

We will solicit an external audit of our IT security landscape the findings of which will be translated into a roadmap of actions to work with in 2021 and this will include work on policies related to IT security, IT disaster and recovery.

EFFORTS AND PERFORMANCE 2021

- As per December 2020 we had 1452 replies LTM. End of 2021 we received 1466 replies, but as we do not follow number of issued surveys this is something to improve in 2022.

  cNPS reached the target of 34 in Q4 2021 for several consecutive months. This is the average of scores in all our markets ranging from 15 to 74.

  Results are now communicated on an ongoing basis in our *Sales on the GO* app and all country entities and sales managers have been trained in where to find and how to use the survey results.

  We have added a new role to our organization being specifically responsible for customer excellence hereunder customer satisfaction.

  From the satisfaction survey results we can see that the biggest challenge we face is our ETA (promised delivery date at time of order).

We completed segmentations in systems (Navision and Salesforce) and worked with segments of customers further and target activities per segment to increase their satisfaction. Update of segmentation information is done both centrally (Group) and by the local account manager

Industry verticals have been defined and will be implemented in 2022

KEY ESG GOALS

5. ENSURE SAFE AND SATISFIED CUSTOMERS AND CONSUMERS

We increased focus on registration of customer engagement as we believe that personal relation and formal meetings (planned, structure) increase the satisfaction

We set targets for customer engagement (# of meetings per sales rep, per country, per BL, etc.). Targets set, communicated and weekly follow-up measurement of meetings held, results communicated and actions for improvement defined. The measurements and results are internal.

- We introduced an ESG survey towards VIP and A customers to get their input on ESG requirements. The overall results of the survey were that extremely few customers have a clear strategy and defined needs in the ESG areas, and that they at this point were pleased with any input they can get.
- An IT security and compliance audit was performed, and an action plan developed and approved by the Board of Directors. We have formed a dedicated IT security team and an extensive list of areas has been defined to strengthen our IT security and compliance.
- EY has done an assessment of our ESG activities in total including an analysis of the efforts/activities/requirements of our major customers, vendors, and competitors as well as regulatory and other global trends. The conclusions were overall very positive and supports our efforts in the area.
- We have had various trials working with structures (e.g. ESG Council) to improve the operational work of target setting, action definition, action follow-up, KPI definition, KPI follow-up, reporting, manager training, etc. We have currently settled with a rather centralized and top managed approach that we still hope can be rolled further out into the organization over time.
- In 2021 we have worked intensely with our ECCN coding and other product details in order to ensure ongoing compliance related to dual use and restricted customer countries. An external legal advisor has worked with us to improve governance and we have changed the way we gather ECCN data to improve the quality. We have trained all product managers in how to gather information from our vendors. ECCN data is now mentioned on all business documents (quotes, invoices, shipment notes, etc.) and governance procedures are in place in cooperation with our transporters who handles the day-to-day reporting to authorities.
- We have introduced a Data Ethics Policy that governs our handling of data (including personal data related to employees and to customers).

KPI'S

The KPI's in this section are measured via monthly summary of customer surveys issued after time of purchase

KEY ESG GOALS

5. ENSURE SAFE AND SATISFIED CUSTOMERS AND CONSUMERS

AMBITIONS 2022

- We will introduce a KPI "number of replies per issued surveys". Currently we only measure number of replies. A target for the response rate awaits measurement of a starting point.
- The customer excellence manager will follow-up on low satisfaction scores at customer and country level and work with the account managers on how to increase overall satisfaction and replies as well as response rate. We aim for 1600 responses.
- cNPS target for 2022 is 36 (up 2 compared to 2021 actual)
- ETA measurements to be defined
- Complete implementation of the industry vertical segmentation.
- Further work with customer interface frequency (measurements are internal)
- We aim to be able to measure the response time to customer request service level. Today we can measure group functions only vs. country organizations and sales reps. Our ambition depends on type (size) of customer but currently it ranges from 1 to 48 hours.
- We will publish the actual service levels on our website for our customers to see (their own)
- We will consider redoing the customer ESG survey by end 2022.
- In the area of IT security and compliance we will work to further implement the roadmap approved in 2021 and match international IT security standards.
- For Data Ethics we will introduce procedures and training to ensure that the principles form an integrated part of our operations.

Management's review

Data ethics

EET Group has not implemented a Data Ethics policy for 2021. The majority of the EET Group’s business takes place in the business-to-business segment, and the involvement of personal data is therefore limited.

EET Group has not implemented any technologies that would give rise to concerns regarding data ethics in relation to personal data. The protection of individuals’ fundamental rights and freedoms is achieved through compliance with existing data protection laws, especially the requirements relating to data minimization, transparency and security. The use of non-personal data within the EET Group does not involve any technologies that would give rise to ethical concerns.

Board of Directors

The Company aims to have a Board of Directors that can perform its duties 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 considered, as it is essential that all members of the Board of Directors possess the necessary competences.

The target to be met by the annual general meeting in 2024 at the latest is 1 female and 4 males. The current gender composition of the Board of Directors appointed by the annual general meeting is 3 males.

Other management levels

The current gender composition at other management levels in Denmark is 40% females and 60% 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

In connection with the change of ownership of EET that took place on February 3, 2022, a new financing structure has been implemented whereby all existing bank debt as at 31 December 2021 debt was replaced.

Furthermore, minority interest in subsidiaries were in connection with the change of ownership also acquired whereby all sales entities hereafter are fully owned by the Group.

Today the ultimate owners of EET A/S are the Executive Board. The ownership is exercised through the companies GL1 ApS and Mgt Holdco ApS.

No further events have occurred after the balance sheet date to this date which could influence the evaluation of these financial statements.

Outlook

Continued growth in the Group’s results is expected for 2022, and the Group will in 2022 continue to focus on expansion both through acquisitions and through strengthening of the product portfolio. Operating profit before depreciation, amortisation and special items is expected to be in the range DKK 400-420 million. Result before taxes is expected to be positive.

Consolidated income statement for the period 1 January – 31 December

Note	DKK'000	2021	2020
5	Revenue	4,270,703	3,291,318
	Cost of goods sold	-3,449,442	-2,623,706
	Product profit	821,261	667,612
7	Other expenses	-56,297	-49,778
	Gross profit	764,964	617,834
6	Staff costs	-388,490	-325,934
	Operating profit before depreciation, amortisation and special items	376,474	291,900
14, 15	Depreciation	-42,579	-39,636
13	Amortisation and impairment losses	-51,994	-60,490
	Operating profit before special items	281,901	191,774
8	Special items	-17,815	-1,128
	Operating profit	264,086	190,646
9	Finance income	4,983	10,582
10	Finance costs	-51,006	-75,872
	Profit before tax	218,063	125,356
11	Income tax expense	-58,164	-41,585
	Profit/loss for the year	159,899	83,771
	Attributable to:		
	Non-controlling interests	19,687	25,438
	Shareholders in EET A/S	140,212	58,333
	Profit/loss for the year	159,899	83,771

Consolidated statement of comprehensive income for the period 1 January – 31 December

Note	DKK'000	2021	2020
	Consolidated profit/loss for the year	159,899	83,771
	Value adjustments of cash flow hedging instruments on equity recycled to the income statement	-	894
11	Income tax effect on the income statement	-	-196
	Value adjustments of cash flow hedging instruments on equity	2,436	302
11	Income tax effect on equity	-536	-67
		1,900	933
	Exchange rate differences on translation of foreign operations	3,585	-5,528
	Items that may be reclassified to the consolidated income statement	5,485	-4,595
	Total comprehensive income, net of tax	165,384	79,176
	Attributable to:		
	Non-controlling interests	19,687	25,733
	Shareholders in EET A/S	145,697	53,433
	Total comprehensive income, net of tax	165,384	79,176

Consolidated statement of financial position at 31 December

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
13	Goodwill	685,894	642,210
13	Technology etc.	0	0
13	Customer relationships	341,665	302,726
13	Brand	11,153	14,558
14	Property, plant and equipment	56,450	51,197
15	Right-of-use asset	58,793	62,185
12	Deferred tax assets	4,886	6,500
	Deposits	9,511	9,450
	Total non-current assets	1,168,352	1,088,826
	Current assets		
16	Inventories	519,225	341,076
17	Trade receivables	713,440	534,907
	Income tax receivable	1,506	2,294
	Other receivables	22,719	17,342
	Prepayments	10,862	6,710
18	Cash	29,172	90,122
	Total current assets	1,296,924	992,451
	TOTAL ASSETS	2,465,276	2,081,277
	EQUITY AND LIABILITIES		
	Equity		
29	Equity attributable to shareholders in EET A/S	558,901	412,006
	Non-controlling interests	30,206	26,880
	Total equity	589,107	438,886
	Liabilities		
	Non-current liabilities		
22	Interest-bearing loans and borrowings	815,082	740,089
22	Lease liabilities	34,229	40,052
21	Pension obligation	6,145	7,136
12	Deferred tax liabilities	88,713	81,909
	Other payables	27,410	11,254
	Total non-current liabilities	971,579	880,440
	Current liabilities		
22	Interest-bearing loans and borrowings	29,590	57,665
22	Lease liabilities	26,904	24,448
19	Trade payables	563,832	447,154
20	Provisions	34,664	3,250
	Income tax payable	32,502	34,672
	Other payables	215,030	193,431
	Prepayments from customers	2,069	1,331
	Total current liabilities	904,591	761,951
	Total liabilities	1,876,170	1,642,391
	TOTAL EQUITY AND LIABILITIES	2,465,276	2,081,277

Consolidated cash flow statement for the period 1 January – 31 December

Note	DKK'000	2021	2020
	Operating activities		
	Operating profit/loss	264,086	190,646
	Adjustments to reconcile profit/loss before tax to net cash flows:		
14	Depreciation	42,579	39,636
13	Amortisation and impairment losses	51,994	60,490
	Other non-cash adjustments	4,360	4,662
	Working capital adjustments		
	Change in trade and other receivables	-103,148	-26,429
	Change in inventories	-127,228	-99,416
	Change in trade and other payables	65,695	162,277
		198,338	331,866
	Interest received	293	267
	Interest paid	-51,005	-52,183
	Income tax paid	-72,520	-45,965
	Net cash flows from operating activities	75,106	233,985
	Investing activities		
	Purchase of property, plant and equipment	-16,488	-18,030
28	Acquisition of subsidiaries	-106,043	-3,735
28	Acquisition of activities	-17,560	0
	Earn-out payment	-1,859	0
	Change in deposits, net	-47	-421
	Net cash flows from investing activities	-141,997	-22,186
	Financing activities		
23	Proceeds from long-term borrowings	75,000	-
23	Repayment of borrowings	-57,504	-10,936
23	Repayment of lease liabilities	-26,082	-25,293
23	Change in credit facilities	29,590	-94,950
23	Borrowing costs paid	-	-12,649
	Transactions with shareholders		
	Proceeds from the issue of share capital	1,198	1,000
	Transactions with non-controlling interests		
	Dividend to non-controlling interests	-16,261	-6,837
	Net cash flows from financing activities	5,941	-149,665
	Net increase in cash	-60,950	62,134
	Cash and cash equivalents at 1 January	90,122	27,988
18	**Cash and cash equivalents at 31 December**	29,172	90,122

Consolidated statement of changes in equity for the period 1 January – 31 December

	Share capital	Translation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2021	22,318	-16,156	-2,947	408,791	412,006	26,880	438,886
Profit/loss for the year	-	-	-	140,212	140,212	19,687	159,899
Other comprehensive income	-	3,585	1,900	-	5,485	-	5,485
Total comprehensive income	-	3,585	1,900	140,212	145,697	19,687	165,384
Transactions with shareholders							
Capital increase	16	-	-	1,182	1,198	-	1,198
Dividend paid	-	-	-	-	-	-16,361	-16,361
Total transactions with shareholders	16	-	-	1,182	1,198	-16,361	-15,163
Equity at 31 December 2021	22,334	-12,571	-1,047	550,185	558,901	30,206	589,107

	Share capital	Translation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2020	22,298	-11,030	-3,183	349,498	357,583	7,984	365,567
Profit/loss for the year	-	-	-	58,333	58,333	25,438	83,771
Other comprehensive income	-	-5,126	236	-	-4,890	295	-4,595
Total comprehensive income	-	-5,126	236	58,333	53,443	25,733	79,176
Transactions with shareholders							
Capital increase	20	-	-	980	1,000	-	1,000
Acquisition of non-controlling interest	-	-	-	-20	-20	-	-20
Dividend paid	-	-	-	-	-	-6,837	-6,837
Total transactions with shareholders	20	-	-	960	980	-6,837	-5,857
Equity at 31 December 2020	22,318	-16,156	-2,947	408,791	412,006	26,880	438,886

Consolidated financial statements for the period 1 January – 31 December

Overview of notes to the consolidated financial statements

Consolidated financial statements for the period 1 January – 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 and additional requirements of the Danish Financial Statements Act applying to reporting class C (large) companies.

The accounting policies are consistent with the policies set out in the financial statements for 2020.

The consolidated income statement and the consolidated statement of financial position seperately present items that are considered individually significant or are required under the minimum presentation requirements of IAS 1.

In determining whether an item is individually significant, EET considers both quantitative and qualitative factors. If the presentation or disclosure of an item is not decision-useful, the information is considered insignificant.

Explanatory disclosure notes related to the consolidated financial statements are presented for individually significant items. Where separate presentation of a line item is made solely due to the minimum presentation requirements of IAS 1, no further disclosures are provided in respect of said line item.

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

The Executive Board and the Board of Directors discussed and approved the 2021 EET A/S annual report on 9 June 2022. The annual report is submitted to the shareholders of EET A/S for approval at the annual general meeting on 9 June 2022.

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 2021. 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 control over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- control 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 control over an investee, including:

- the contractual arrangement with the other voting members 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.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resulting gain or loss is recognised in profit or loss.

Any investment retained is recognised at initial recognition at fair value and subsequently measured at fair value through the income statement unless the investment is classified as an investment in associates or joint ventures measured using the equity method.

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 finance income or finance costs.

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 finance income or finance costs.

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 adjustments of balances with foreign entities which are considered part of the investment in the entity are 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 special items.

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.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

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 IFRS 9 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.

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 tested individually 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 at the transaction date. Derivate financial instruments are measured at fair value on 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.

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.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

- The Group uses foreign exchange contracts as hedges of its exposure to foreign currency risks 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 costs are 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.

Income statement

Revenue
The Group's revenue is generated from the sale and delivery of IT technology products to customers in Europe. The products are delivered to the customers from the Group's warehouses. Other than the delivery of goods, the Group's contracts with customers do not include other commitments that constitute separate performance obligations.

Revenue from the sale of products and freight is recognised when control of goods and products passes to the customer, which is generally upon shipment. At the same time, a trade receivable is recognised as an asset. For contracts providing the customer with a right of return within a specified limited period, the Group considers the value of products expected to be returned to be limited.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for products sold and freight. Revenue excludes discounts, VAT and other duties. In determining the transaction price, the Group considers the effects of variable consideration. The Group's payment terms are generally 30-45 days, and it is the Group's assessment that contracts with customers do not include any significant financing element.

The Group has concluded that it is the principal in all its revenue arrangements, since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory risks.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Cost of goods sold

Cost of goods sold comprises costs relating to goods sold, 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.

The majority of the Group's pension schemes are defined contribution plans where contributions are paid to publicly or privately administrated pension plans on a statutory, contractual or voluntary basis. Contributions to defined contribution plans are recognised as staff costs when the related service is provided.

The Group has no further payment obligations once the contributions have been paid. In addition, the Group has a few defined benefit plans where the responsibility for the defined benefit obligation towards the employees lies with the Group. The Group's net obligation is calculated annually by an actuary. The present value less the fair value of any plan assets is recognised as pensions in the statement of financial position.

Government grants

During 2020, the Group received wage compensation in several countries under government support schemes established to mitigate the negative effect of COVID-19. As the grants compensate costs already incurred, the grants are recognised in the income statement as a reduction of staff costs.

Special items

Special items include costs not considered part of the Group's ordinary operations, including acquisition-related costs, impairment of investments and gains/losses related to divestment of entities and other non-recurring items. Such costs are shown separately in order to give a more true and fair view of the Group's operating profit/loss.

Finance income and costs

Finance income and costs 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.

Income tax expenses

Income tax expenses comprises current income tax and changes in deferred taxes (deferred tax is 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 with respect to situations, in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Statement of financial position

Statement of comprehensive income

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation of functional currency into 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.

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 cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful 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 5 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 lower than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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 group level.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

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.

Right-of-use assets and lease liabilities

The Group has applied IFRS 16 Leases using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

The Group has applied IFRS 16 to lease contracts related to offices, warehouses and cars. The Group has elected not to recognise right-of-use assets and liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception of a contract entered into on or after 1 January 2019, the Group assesses whether a contract is, or contains, a lease, i.e. the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

Right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use assets is periodically reduced by any impairment losses and adjusted for certain remeasurement of the lease liability.

Depreciation is as follows:

The right-of-use assets are depreciated over straight line over the expected rent period:

Cars	1-3 years
Office and warehouses	1-5 years

Expense relating to short-term leases and low assets values are expensed in the income statement as other external expenses.

Lease liabilities

The Group measures the lease liability using the Groups incremental borrowing rate. The Group determines its incremental borrowing rate as the weighted average of the interest on its credit facilities.

For contracts entered into on or after 1 January 2020, the Group initially measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate as at the commencement date. The Groups lease contracts does not include any significant variable payments.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

The Group assesses at lease commencement date whether it is reasonably certain to exercise extension or termination options. If there is a significant event or significant changes in circumstances within the Group's control the Group reassesses whether it is reasonably certain to exercise the options.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if the Group changes its assessment of whether it will exercise an extension or a termination option or if there is a revised in-substance fixed lease payment.

Assets-use-of rights and lease liabilities are presented in the statement of financial position separately.

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

On initial recognition, trade receivables are measured at fair value, which in all material respects corresponds to the nominal value, and subsequently measured at amortised cost.

The Group applies the simplified approach to measure expected credit losses which uses lifetime expected credit losses for all trade receivables at each reporting date. The provision for expected credit losses is based on days past due for groups of customer with similar credit risk characteristics as well as an individual assessment.

Prepayments

Prepayments comprise expenses incurred concerning subsequent financial years.

Equity

Equity includes total comprehensive income for the year, comprising the profit/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 the presentation currency of the Group.

The reserve for cash flow hedges includes the accumulated net change in the fair value of hedging transactions qualifying for cash flow hedge accounting.

Provisions

Provisions are recognised when the Group has a current legal or constructive obligation and include warranty and earn-outs. 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.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

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 be reversed 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 be reversed 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 tax assets 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.

Financial liabilities

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

Financial liabilities within the scope of IFRS 9 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 initially recognised at fair value and, in the case of loans and borrowings, subsequently at amortised cost. This includes directly attributable transaction and borrowing costs.

If a change or modification to loan agreements are substantial, considering the net present value of the future cash flows under the new terms discounted using the original effective interest rate, any costs or fees incurred are recognised in the income statement. If the change or modification to loan agreements are not substantial, any costs or fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the new loan agreement.

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

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Summary of significant accounting policies (continued)

Cash flow statement

The cash flow statement 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 are presented using the indirect method as operating profit 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 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 cash flow statement from the acquisition date. Cash flows from the disposal of entities are recognised up until the date of disposal.

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 bank and in hand.

4 Significant accounting estimates and judgements

When preparing the consolidated financial statements of 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

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, based on management's assessment of the expected useful life or the expected pattern of consumption of future economic benefits. 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 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 13.

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 16.

Receivables

The Group applies the simplified approach to measure expected credit losses which uses lifetime expected credit losses for all trade receivables at each reporting date. The allowance for expected credit losses is based on days past due for groups of customers with similar credit risk characteristics as well as individual assessments. The allowance for expected credit losses is based is determined for the portfolio of trade receivables in each country. An analysis of overdue trade receivables and movements in the allowance for expected credit losses is included in note 17.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

5 Revenue

The Group's revenue is disaggregated into the following product categories:

DKK'000	2021	2020
Pro AV & Digital Signage	849,401	674,961
Server, computer and printer parts	1,072,351	698,748
Surveillance and security	899,583	543,021
Network	485,724	430,131
POS & Auto-ID	449,606	381,380
Consumer Electronics	477,385	512,767
Mobile parts and accessories	22,796	35,337
Other	13,857	14,973
Total revenue	4,270,703	3,291,318

At 31 December 2021, the value of products expected to be returned is considered insignificant similarly to 31 December 2020.

6 Staff costs

DKK'000	2021	2020
Wages and salaries	327,542	276,556
Pension costs	5,017	4,116
Other social security costs	41,208	31,900
Other staff costs	14,723	13,362
Total staff costs	388,490	325,934
Average number of employees	660	550

In 2021, the average number of employees is exclusive of employees being furloughed due to COVID-19.

Remuneration of the Executive Board		
Wages and salaries	8,078	7,492
Pensions	482	448
	8,560	7,940
Remuneration of the Board of Directors		
Wages and salaries	1,070	880
Remuneration of key management personnel		
Wages and salaries	12,014	11,548
Pensions	727	693
	12,741	12,241

In 2021, key management personnel comprise the COO, HR Director, CDO, two Vice Presidents, Supply Chain Officer, Logistics Director (in 2020: COO, HR director, CDO, Head of M&A and Strategy).

The Executive Board and key management personnel are eligible for bonuses, depending on among other things EBITDA of operations.

Government grants

During 2021, the Group received no salary compensation (2020: DKK 8.1 million) under government compensation schemes established to mitigate the negative effects of COVID-19. As the grants compensate costs already incurred in 2020, the grants are recognised in the income statement as a reduction of staff costs in 2020. The schemes are temporary and subject to certain conditions. At 31 December 2021, there were no unfulfilled conditions related to grants recognised.

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Notes to the financial statements

	DKK'000	2021	2020
7	**Audit fees**		
	Fees to the statutory auditor:		
	Statutory audit	1,852	1,774
	Other assurance services	45	83
	Tax and VAT advisory services	784	754
	Non-audit services	558	856
		3,229	3,467
8	**Special items**		
	Acquisition and divestment-related costs	9,969	1,128
	Other	7,846	0
	Total special items	17,815	1,128
9	**Finance income**		
	Interest income	293	267
	Fair value adjustment of interest rate swap	4,687	3,398
	Currency gain, net	3	6,917
	Total finance income	4,983	10,582
	Total finance income related to financial assets at amortised cost	293	267
10	**Finance costs**		
	Interest on debts and borrowings, etc.	45,836	41,827
	Interest on lease liabilities	2,702	3,217
	Amortisation of borrowing costs	-	11,041
	Other financial expenses	1,800	18,893
	Recycled interest rate swap to income statement	-	894
	Total finance costs	51,006	75,872
	Total finance costs related to financial liabilities at amortised cost	48,538	56,085

Following the re-financing in 2020, borrowing costs of DKK 11 million previously recognised as part of the carrying amount of the Group's extinguished loans and credit facilities were recognised in amortisation of borrowing costs. Further, borrowing costs relating to the new loan agreement were recognised in other financial expenses in accordance with IFRS 9.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Income tax expense

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

DKK'000	2021	2020
Consolidated income statement		
Current income tax:		
Current income tax charge	-66,817	-51,321
Changes, prior year	-608	-5,053
Deferred tax:		
Changes in temporary differences	9,261	14,789
Income tax expense in the income statement	-58,164	-41,585
Consolidated statement of other comprehensive income		
Income tax (current and deferred tax) related to items recognised directly in other comprehensive income:		
Net gain/loss on value adjustment on hedging instruments, current tax	0	-196
Net gain/loss on value adjustment on hedging instruments, deferred tax	-536	-67
Income tax charged to other comprehensive income	-536	-263
Profit/loss before tax	218,063	125,356
Calculated at Denmark's statutory income tax rate of 22.0%	-47,974	-27,578
Tax rate deviations in foreign entities, net	-2,164	-1,262
Write-down of deferred tax assets related to borrowing costs	-734	-5,072
Impairment of goodwill	0	0
Adjustment to prior year	-608	-5,053
Tax impact from acquisition-related costs and other permanent differences, etc.	-6,684	-2,620
Income tax expense reported in the consolidated income statement	-58,164	-41,585

12 Deferred tax

Deferred tax in 2021 related to the following:

DKK'000	Consolidated statement of financial position	Consolidated income statement/other comprehensive income
Intangible assets	-82,028	-4,921
Property, plant and equipment	-842	38
Inventories, etc.	4,895	4,591
Receivables, etc.	-6,206	-11,140
Other items	354	2,707
Deferred tax expense (income)		-8,725
Net deferred tax assets (liabilities)	-83,827	
Reflected in the statement of financial position as follows:		
Deferred tax assets	4,886	
Deferred tax liabilities	-88,713	
Deferred tax liabilities, net	-83,827	

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

12 Deferred tax (continued)

Deferred tax in 2020 related to the following:

DKK'000	Consolidated statement of financial position	Consolidated income statement/other comprehensive income
Intangible assets	-77,107	13,127
Property, plant and equipment	-880	2,013
Inventories, etc.	304	-4,129
Receivables, etc.	4,934	4,737
Other items	-2,660	-1.026
Deferred tax expense (income)		14,722
Net deferred tax assets (liabilities)	-75,409	
Reflected in the statement of financial position as follows:		
Deferred tax assets	6,500	
Deferred tax liabilities	-81,909	
Deferred tax liabilities, net	-75,409	

The Group has carried forward losses on financial instruments with a tax value of DKK 1.4 million (2020: DKK 1.8 million), which have not been recognised as their future utilisation is associated with uncertainty. The carry-forward period is limited to 1-3 years.

Reconciliation of deferred tax liabilities, net

DKK'000	2021	2020
Opening balance at 1 January	-75,409	-89,885
Taxable income (expense) during the period recognised in profit or loss	9,261	14,789
Taxable income (expense) during the period recognised in other comprehensive income	-536	-67
Additions from business combinations	-17,139	-
Exchange rate adjustments etc.	-4	-246
Closing balance at 31 December	-83,827	-75,409

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 1 January – 31 December

Notes to the financial statements

13 Intangible assets

DKK'000	Goodwill	Technology, etc.	Customer relationships	Brand	Total
Cost at 1 January 2021	674,403	252,944	517,855	34,054	1,479,256
Foreign exchange adjustments	-2,023	-	3,166	-	1,143
Additions from business combinations	45,707	-	85,202	-	130,909
Cost at 31 December 2021	718,087	252,944	606,223	34,054	1,611,308
Amortisation at 1 January 2021	32,193	252,944	215,129	19,496	519,762
Foreign exchange adjustments	-	-	840	-	840
Transfer	-	-	-	-	-
Amortisation	-	-	48,589	3,405	51,994
Amortisation at 31 December 2021	32,193	252,944	264,558	22,901	572,596
Carrying amount at 31 December 2021	685,894	-	341,665	11,153	1,038,712
Amortisation period		5 years	12 years	10 years	

DKK'000	Goodwill	Technology, etc.	Customer relationships	Brand	Total
Cost at 1 January 2020	676,919	252,944	519,257	34,054	1,483,174
Foreign exchange adjustments	-2,516	-	-1,502	-	-4,018
Cost at 31 December 2020	674,403	252,944	517,855	34,054	1,479,256
Amortisation at 1 January 2020	28,728	239,032	176,306	16,091	460,157
Foreign exchange adjustments	-678	-	-217	-	-895
Transfer	4,133	-	-4,133	-	-
Amortisation	-	13,912	43,173	3,405	60,490
Amortisation and impairment at 31 December 2020	32,193	252,944	215,129	19,496	519,762
Carrying amount at 31 December 2020	642,210	-	302,726	14,558	959,494
Amortisation period		5 years	12 years	10 years	

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.

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Notes to the financial statements

13 Intangible assets (continued)

Impairment test

The Group performed its annual impairment test of goodwill in December 2021. In performing the impairment test, the Group considers, among other factors, the relationship between its value in use and the carrying amounts of the CGUs.

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

- Server, computer and printer parts
- Consumer Electronics
- Surveillance and security
- Mobile parts and accessories
- Pro AV & Digital Signage
- POS & Auto-ID
- Network
- Other[1)]

[1] "Other" relates to various other minor business areas

In 2021, no impairment losses were recognised (2020: 0).

At 31 December 2021, other intangible assets with finite useful lives, including Technology, etc., Customer relationship and Brands, showed no indication of impairment.

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.

The value-in-use cash flow projections are based on financial budgets approved by Management covering the subsequent financial years. 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 5 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.

The applied discount rates represent the current market assessment of the risks, taking into consideration the individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The estimated discount rates are based on expected marked participant perspectives on the relevant 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 equity investors.

The specific discount rates are generally based on 10-year government bonds. The cost of debt is based on the yield to maturity on 10-year Danish government bonds plus a credit risk premium measured by the spread between the yield to maturity on 10-year EUR-denominated corporate bonds issued by comparable companies and the yield to maturity on 10-year EUR-denominated German government bonds. A capital structure with a ratio of 41% (2020: 60%) between the market value of debt and equity value has been applied in the calculation based on the capital structure of comparable companies as this represents the expected market participant perspective. A long-term market equity risk premium of 7.2% (2020: 8.4%) has been applied to reflect an expected long-term stock market return of 7.0% (2020: 8.0%) and a risk-free rate of -0.2% (2020: -0.4%).

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

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

13 Intangible assets (continued)

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:

		2021			
		Key assumptions applied			
DKK'000	Goodwill	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	285.612	2%	2%	8.2%	10.0%
Consumer Electronics	78.622	2%	2%	7.4%	9.0%
Surveillance and security	86.107	2%	2%	8.2%	10.0%
Mobile parts and accessories	-	-	-	-	-
Pro AV & Digital Signage	92.820	2%	2%	8.2%	10.0%
POS & Auto-ID	55.881	2%	2%	8.2%	10.0%
Network	73.392	2%	2%	8.2%	10.0%
Other	13,461	2%	2%	8.2%	9.9%
Total	685,894				

In 2021, no impairment losses were recognised.

		2020			
		Key assumptions applied			
DKK'000	Goodwill	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	285,173	2%	2%	8.1%	9.9%
Consumer Electronics	78,622	2%	2%	8,8%	10.7%
Surveillance and security	48,702	2%	2%	8.8%	10.8%
Mobile parts and accessories	0	-	-	-	-
Pro AV & Digital Signage	91,747	2%	2%	8.8%	10.8%
POS & Auto-ID	53,909	2%	2%	9.4%	11.6%
Network	73,305	2%	2%	8.8%	10.8%
Other	10,752	2%	2%	8.1%	9.9%
	642,210				

In 2020, no impairment losses were recognised.

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Notes to the financial statements

13 Intangible assets (continued)

Sensitivity analysis

A sensitivity analysis of the key assumptions in the impairment test 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.

	2021					
	Growth in revenue		Growth in product contribution		Discount rate, net of tax	
DKK'000	Long-term rate	Allowed decrease	Long-term rate	Allowed decrease	Applied rate	Allowed increase
Server, computer and printer parts	2%	-21.1%	2%	-21.1%	8.2%	14.7%
Consumer Electronics	2%	-32.9%	2%	-32.9%	7.4%	22.3%
Surveillance and security	2%	-23.0%	2%	-23.0%	8.2%	14.1%
Mobile parts and accessories	2%	-	-	-	-	-
Pro AV & Digital Signage	2%	-18.6%	2%	-18.6%	8.2%	11.3%
POS & Auto-ID	2%	-9.7%	2%	-9.7%	8.2%	6.6%
Network	2%	-14.0%	2%	-14.0	8.2%	8.9%
Other	2%	-13.3%	2%	-13.3%	8.2%	13.1%

	2020					
	Growth in revenue		Growth in product contribution		Discount rate, net of tax	
DKK'000	Long-term rate	Allowed decrease	Long-term rate	Allowed decrease	Applied rate	Allowed increase
Server, computer and printer parts	2%	-8.0%	2%	-8.0%	8.1%	6.5%
Consumer Electronics	2%	-18.9%	2%	-18.9%	8,8%	15.4%
Surveillance and security	2%	-18.3%	2%	-18.3%	8.8%	12.9%
Mobile parts and accessories	2%	-	-	-	-	-
Pro AV & Digital Signage	2%	-9.2%	2%	-9.2%	8.8%	7.1%
POS & Auto-ID	2%	-2.6%	2%	-2.6%	9.4%	2.1%
Network	2%	-8.9%	2%	-8.9%	8.8%	7.1%
Other	2%	-5.2%	2%	-5.2%	8.1%	5.1%

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Notes to the financial statements

14 Property, plant and equipment

DKK'000	2021	2020
Cost at 1 January	82,498	71,397
Additions	17,573	18,636
Additions from business combinations	5,367	0
Disposals and scrapping	-5,206	-7,872
Foreign exchange adjustments	313	337
Cost at 31 December	100,545	82,498
Depreciation and impairment losses at 1 January	31,301	24,413
Depreciation	16,275	13,688
Disposals	-3,804	-7,261
Foreign exchange adjustments	323	461
Depreciation and impairment losses at 31 December	44,095	31,301
Carrying amount at 31 December	56,450	51,197

Depreciation in the income statement includes a net loss of DKK 0 thousand in 2021 (2020: loss of DKK 93 thousand) related to disposals of assets.

15 Right-of-use assets

DKK'000	2021	2020
Cost at 1 January	105,108	104,844
Additions	21,524	14,410
Additions from business combinations	1,897	-
Disposals	-14,477	-12,963
Foreign exchange adjustments	1,724	-1,183
Cost at 31 December	115,776	105,108
Depreciation and impairment losses at 1 January	42,923	24,027
Depreciation	26,304	25,948
Disposals	-14,467	-8,356
Foreign exchange adjustments	2,223	1,304
Depreciation and impairment losses at 31 December	56,983	42,923
Carrying amount at 31 December	58,793	62,185

Right-of-use assets comprise rented offices and warehouses with a net booked value of DKK 50.0 million and car leases with a net booked value of DKK 8.8 million. Amounts recognised in the income statement:

DKK'000	2021	2020
Interest related to lease liabilities (included in finance costs)	2,702	3,217
Expense relating to leases of low-value assets (included in other external expenses)	378	675
Total	3,080	3,892

In 2021, the Group paid DKK 28.8 million (2020: DKK 28.5 million) related to leases, of which DKK 2.7 million (2020: DKK 3.2 million) related to lease interest and DKK 26.1 million (2020: 25.3 million) related to repayment of lease liabilities.

16 Inventories

DKK'000	2021	2020
Trading goods	519,225	341,076
Total inventories	519,225	341,076

During 2021, DKK 4.9 million (2020: DKK 4.1 million) was charged to the income statement for damaged, obsolete and lost inventories.

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Notes to the financial statements

17 Trade receivables

DKK'000	2021	2020
Trade receivables	713,440	534,907
	713,440	534,907

Trade receivables are non-interest-bearing and generally fall due on 30-45-day terms.

The movements in the allowance for expected credit losses is specified below:

DKK'000	2021	2020
At 1 January	6,635	6,245
Additions from business combinations	88	0
Provision for expected credit losses	1,379	1,588
Utilised	-1,593	-1,077
Foreign exchange adjustments	141	-121
At 31 December	6,650	6,635

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

DKK'000			Past due, but not impaired			
	Total	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	> 91 days
2021	714,219	607,417	82,418	16,800	4,980	1,825
2020	534,907	476,750	51,665	2,770	636	3,086
2019	507,715	420,395	78,813	4,570	210	3,727

Customer credit risks

The Group's exposure to credit risks is assesses to be low. The Group's customer portfolio is diversified in terms of geography and size. The Group is not exposed to credit risks related to significant individual customers.

Customer credit risks are 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 credit insurance. At 31 December 2021, approximately 82% of the Group's trade receivables, corresponding to DKK 583 million, were covered by credit insurance.

The credit risk is monitored by analysing the amount and the ageing of outstanding customer receivables that are past due. Outstanding customer receivables are monitored at country level as well as at group level, and allowances are updated for expected credit losses on a monthly basis. The allowance is based on actual historical data, ageing of receivables and relevant information about the current and expected macro-economic developments in each country that could impact the credit risk. Generally, the portfolio of trade receivables within each country is considered to share similar credit risk characteristics. The maximum exposure to credit risks 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.

18 Cash

DKK'000	2021	2020
Cash	29,172	90,122
	29,172	90,122

Cash at bank carried floating-rate interest based on daily bank deposit rates.

At 31 December 2021, the Group's undrawn committed borrowing facilities totalled DKK 146 million (2020: DKK 250 million). The movements in the bank credit facility is included in the financing activity and not part of net cash.

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19 Trade payables

DKK'000	2021	2020
Trade payables	563,832	447,154
	563,832	447,154

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

20 Provisions

DKK'000	Warranty and earn-out
At 1 January 2021	3,250
Arising during the year	31,664
Utilised	-250
Unused amounts reversed	0
At 31 December 2021	34,664
Included in the statement of financial position as:	
Non-current liabilities	-
Current liabilities	34,664
At 31 December 2021	34,664

The warranty provision relates to any form of warranties on goods sold amounts to DKK 3,000 thousand and earn-out amounts to DKK 31,664 thousand.

21 Pension obligation

DKK'000	Pension liabilities
At 1 January 2021	7,136
Additions	0
Utilised	-990
Foreign exchange adjustments	0
At 31 December 2021	6,145
Included in the statement of financial position as:	
Non-current liabilities	0
Current liabilities	6,145
At 31 December 2021	6,145

The pension obligation relates to future pension payments according to defined benefit plans.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

22 Interest-bearing loans and borrowings

At 31 December, the Group has taken out the following interest-bearing loans and borrowings:

Interest-bearing loans and borrowings	Expiry	Interest margin	Nominal amount 2021	Carrying amount 2021
Facility A	Expire up till 2024	4,0%	106,956	103,880
Facility B	Expire in 2024	4,5%	277,000	276,231
Facility B2	Expire in 2024	4,5%	30,000	30,000
Acquisition facility	Expire in 2024	4,0%	329,964	329,964
Revolver facility	Expire in 2024	4,0%	175,000	29,597
Liquidity facility	Expire in 2024	4,0%	75,000	75,000
Lease liability	Expire up till 2024	4,0%	71,285	61,133
			1,065,205	905,805
Loans and borrowings, non-current			818,920	815,082
Lease liabilities, non-current			41,263	34,229
Loans and borrowings, current			175,000	29,590
Lease liabilities, current			30,022	26,904
			1,065,205	905,805

Interest-bearing loans and borrowings	Expiry	Interest margin	Nominal amount 2020	Carrying amount 2020
Facility A	Expire up till 2024	4,0%	161,448	161,448
Facility B	Expire in 2024	4,5%	276,343	276,343
Facility B2	Expire in 2024	4,5%	30,000	30,000
Acquisition facility	Expire in 2024	4,0%	329,963	329,963
Lease liability	Expire up till 2024	4,0%	75,211	64,500
			872,965	862,254
Loans and borrowings, non-current			740,089	740,089
Lease liabilities, non-current			47,930	40,052
Loans and borrowings, current			57,665	57,665
Lease liabilities, current			27,281	24,448
			872,965	862,254

Following the re-financing in 2020, borrowing costs of amounting to DKK 11 million previously recognised as part of the carrying amount of the Group's extinguished loans and credit facilities were recognised in the income statement. Further, borrowing costs relating to the new loan agreement were recognised in the income statement.

Interest on interest-bearing loans and borrowings is variable with addition of an interest margin as indicated above. Interest on the Facility A and Facility B loans is hedged financially with interest rate swaps for interest levels above 0%.

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Notes to the financial statements

23 Financial assets and liabilities

DKK'000	2021	2020
Financial assets at fair value		
Financial instruments measured at fair value (Level 2) [1)]	0	0
Financial assets at amortised cost		
Trade receivables	714,219	534,907
Other receivables	22,719	17,342
Cash	29,179	90,122
	766,117	642,371
Financial liabilities at fair value		
Financial instruments measured at fair value (Level 2) [2)]	1,190	6,112
Financial liabilities at amortised cost		
Interest-bearing loans and borrowings	844,672	797,754
Lease liabilities	61,133	64,500
Trade payables	563,832	447,154
Other payables (excluding financial instruments at fair value)	271,204	198,573
	1,740,841	1,507,981

[1)] Included in Other receivables
[2)] Included in Other payables

At 31 December 2021, the fair value of the assets and liabilities listed above is not materially different from the carrying amount. At 31 December 2021, the estimated fair value (level 2) of interest-bearing loans and borrowings amounted to approximately 906 million.

Changes in liabilities arising from financing activities

The change during the year in liabilities arising from financing activities is specified below:

DKK'000	2021	2020
Loans and borrowings, non-current	740,089	799,473
Lease liabilities, non-current	40,052	59,066
Loans and borrowings, current	57,665	94,950
Lease liabilities, current	24,448	23,411
Total at 1 January	**862,254**	**976,900**
Repayments	-57,503	-10,936
Additions to lease liability	23,421	9,034
Repayment of leases	-26,082	-25,293
Amortisation of borrowing costs	0	11,041
Proceeds from long-term borrowings	75,000	-
Change in bank overdrafts	29,590	-94,950
Exchange rate adjustments	-875	-3,542
Total at 31 December	905,805	862,254
Loans and borrowings, non-current	815,082	740,089
Lease liabilities, non-current	34,229	40,052
Loans and borrowings, current	29,590	57,665
Lease liabilities, current	26,904	24,448
Total at 31 December	**905,805**	**862,254**

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

23 Financial assets and liabilities (continued)

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.

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 2021 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 2021 was assessed to be insignificant.

24 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 risks, credit risks and liquidity risks.

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

Interest rate risks

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current liabilities 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. Interest on the Facility A and Facility B loans is hedged financially with interest rate swaps for interest levels above 0%. These swaps are designated to hedge underlying liabilities. Thus, changes in the interest rates will not have any significant impact on profit or loss.

Credit risks

Credit risks include the risk that a counterparty will default, i.e. not meet its obligations to pay amounts owed to the Group under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risks is primarily related to trade receivables and also deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

24 Financial risk management objectives and policies (continued)

In order to mitigate the risk, the majority of the Group's trade receivables are covered by credit insurance. The credit risk relating to trade receivables is disclosed in note 17.

Credit risks from balances with banks and financial institutions are managed by Group Management on a regular basis. The cash balance is concentrated at mainly a single counterparty rated AA.

Foreign currency risks

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, and 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 using primarily financial instruments.

The risk exposure is considered limited. A 10% change (except for EUR: 1% change) in relevant currencies, with all other variables held constant, would have impacted revenue and gross profit by the amounts below:

DKK million	**Revenue**	**Gross profit**
SEK	60	9
GBP	60	10
NOK	40	7
EUR	18	3
Other	23	4
Total	**201**	**33**

Liquidity risks

Liquidity risks include the risk that the Group is not able to meet the contractual obligations associated with its financial liabilities due to insufficient liquidity.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, etc. At the end of 2021, the equity share of total equity and liabilities was 23.9% (2020: 21.2%).

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.

DKK'000 **31 December 2021**	**On demand**	**0 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Non-derivatives:					
Interest-bearing loans and borrowings	0	29,590	815,082	0	0
Lease liability	0	26,904	34,229	0	0
Trade payables and other financial liabilities	0	754,663	51,609	0	0
Derivates:					
Interest rate swaps	0	1,190	0	0	0
	0	812,346	900,920	0	0

DKK'000 **31 December 2020**	**On demand**	**0 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Non-derivatives:					
Interest-bearing loans and borrowings	0	89,954	808,294	0	898,248
Lease liability	0	27,281	47,930	0	75,211
Trade payables and other financial liabilities	0	645,727	0	0	645,727
Derivates:					
Interest rate swaps	0	6,112	0	0	6,112
	0	769,074	856,224	0	1,625,298

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

24 Financial risk management objectives and policies (continued)

The senior debt facilities are subject to financial covenants, which include debt and interest coverage ratios and investment ratios. At 31 December 2021, the Group complied with the financial covenants.

Interest rate hedging

All changes in the fair value of interest rate hedges are recognised in the income statement. The amount recognised in other comprehensive income at 31 December 2021 is DKK 4,687 thousand (2020: DKK 3,398 thousand) and will be recycled to the income statement during the period until March 2022.

31 December 2021

DKK'000	2021	
Fair value of derivatives	**Assets**	**Liabilities**
Interest rate swaps	0	1,190
Other	2,438	0

31 December 2020

DKK'000	2020	
Fair value of derivatives	**Assets**	**Liabilities**
Interest rate swaps	0	5,877
Other	0	235

25 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, lease liabilities, trade and other payables, less cash. The Group's intention is to have a gearing ratio between 0.70 and 0.80, which was met in 2020 and 2021.

DKK'000	2021	2020
Interest-bearing loans and borrowings	844,672	797,754
Lease liabilities	61,133	64,500
Trade payables	563,832	447,154
Other payables	240,737	198,573
Cash	-29,179	-90,122
Net debt	1,681,195	1,417,859
Equity	592,883	438,886
Total capital and net debt	2,306,742	1,856,745
Gearing ratio	0.73	0.76

Please refer to note 24 in respect of covenants related to the senior facilities.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

26 Commitments, contingencies and pledges

EET A/S is jointly and severally liable for the Group's bank loans with a nominal value of DKK 994 million (2020: DKK 798 million).

EET A/S has executed a share pledge over its shares in EET Holdings 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 29 million.

The Group's lease of the central warehouse was originally 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 Company 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.

27 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 2021
EET Holdings A/S	Subholding	Denmark	100.00%
EET Group A/S	Group activities	Denmark	100.00%
EET Danmark A/S	Sales company	Denmark	100.00%
EET International A/S	Sales company	Denmark	100.00%
Sandberg A/S	Sales company	Denmark	50.01%
EET Norge AS	Sales company	Norway	100.00%
EET Sverige AB	Sales company	Sweden	100.00%
EET Finland OY	Sales company	Finland	100.00%
EET Italy S.R.L	Sales company	Italy	92.50%
ETT Spain SA	Sales company	Spain	100.00%
EET France SAS	Sales company	France	100.00%
EET Nederland B.V.	Sales company	The Netherlands	100.00%
EET Germany GmbH	Sales company	Germany	100.00%
EET UK Ltd	Sales company	United Kingdom	100.00%
EET Schweiz GmbH	Sales company	Switzerland	100.00%
EET Polska Z o.o	Sales company	Poland	55.00%
EET Österreich GmbH	Sales company	Austria	80.00%
EET Czech s r.o	Sales company	The Czech Republic	80.00%
EET Ireland Ltd.	Sales company	Ireland	85.00%
Lothar Finance Egypt	Subholding	Egypt	80.00%
EET Egypt Ltd	Sales company	Egypt	51.00%
Red Fern Road ApS	Sales Company	Denmark	100,00%
Oprema Ltd.	Sales Company	United Kingdom	100,00%

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

27 Related party disclosures (continued)

The following table provides the total amount of transactions that have been entered into with related parties:

2021:

None.

2020:

None

Transactions with the Executive Board and key management personnel

Remuneration of the Board of Directors, the Executive Board and key management personnel is disclosed in note 6.

Other transactions with members of the Board of Directors, the Executive Board and key management personnel are disclosed below:

2021:

DKK'000	Dividend	Interest expenses	Loan to EET	Capital contribution
Board of Directors, Executive Board and key management personnel	-	-	-	-

2020:

DKK'000	Dividend	Interest expenses	Loan to EET	Capital contribution
Board of Directors, Executive Board and key management personnel	-	-	-	1,000

The ultimate parent

The ultimate parent at 31 December 2021 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.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

28 Business combinations

Acquisitions in 2021

In 2021, EET Group made the following acquisitions in 2021 (2020: None):

- On January 25, 2021 the group acquired the activities of Spanish distributors *CCTV Center S.L.* and its subsidiary *Avant Video S.L* both having activities within distribution of Surveillance and Security products in Spain. *CCTV Center* was founded in 1994, has 40 employees and had EUR 14 million in revenues in 2020. The company is located in Valencia and has sales offices in Barcelona, San Sebastian, Sevilla and Madrid.
- On April 6, 2021 the group acquired 100% of the shares in the UK-based distributor of CCTV, access control, intrusion, fire and networking products, *Oprema Ltd.*, to further strengthen and accelerate growth in the Surveillance & Security segment. *Oprema Ltd.* was founded in 2010 and is located in Cardiff. The company has 50 employees and had GBP 24 million in revenue in 2020.

The acquisitions were completed with the aim of strengthening the Group's future business development by benefitting from economy of scales by integrating smaller companies into the larger group. With these acquisitions, the Surveillance & Security segment becomes the biggest segment in the EET, accounting for more than 20% of total sales.

The provisional fair values of the identifiable assets and liabilities at the date of the acquisitions were:

	2021		
DKK'000	**Oprema, UK**	**CCTV, Spain**	**Total**
Assets			
Customer relationships	85,202	-	85,202
Other non-current assets	3,470	-	3,470
Right of use assets	1,897	-	1,897
Inventories	33,361	17,560	50,921
Trade receivables	58,225	-	58,225
Cash	15,879	-	15,879
	198,035	17,560	215,595
Liabilities			
Interest-bearing loans and borrowings	20,551	-	20,551
Deferred tax liabilities	17,139	-	17,139
Trade payables	56,005	-	56,005
Corporate taxes	4,253	-	4,253
Other current liabilities	13,294	-	13,294
	111,242	-	111,242
Total identifiable net assets at fair value	86,793	17,560	104,353
Goodwill arising on acquisition	45,707	-	45,707
Net cash/debt acquired	4,671	-	4,671
Contingent and deferred consideration	-31,128	-	-21,128
Consideration transferred, net	106,043	17,560	123,603

The consideration for the acquired shares in Oprema Ltd. included fixed and variable consideration. Variable consideration is contingent upon earnings realised during a period of 24 months from the acquisition date. The maximum amount of the payment is DKK 31.1 million. The consideration for the activities acquired from CCTV is contingent upon realised sales during the subsequent period. The maximum amount of the payment is DKK 2.5 million, however the earn-out has been determined to a fair value of DKK 0 as pr. the acquisitions date.

Goodwill arising on acquisition is non-deductible for tax purposes. The fair value of acquired receivables correspond in al material aspects to the nominal amounts. No considerations have been paid regarding prior-year acquisitions (2020: DKK 3,735 thousand).

The total acquisitions costs amount to DKK 10.0 million. All costs have been recognized as special items.

Revenue and operating profit before depreciation, amortisation and special items from acquired businesses since the acquisition date included in the consolidated financial statements are estimated to DKK 235.1 million and DKK 17.8 million.

Consolidated financial statements for the period 1 January – 31 December

Notes to the financial statements

28 Business combinations (continued)

Assuming the acquisitions were included as of 1 January 2021, the impact on revenue is estimated to an additional DKK 70.6 million on revenue and an additional DKK 2.0 million on operating profit before depreciation.

Subsequent to 31 December 2021, no further business combinations were made.

29 Issued capital

Authorised shares

DKK'000	2021	2020
A shares	3,750	3,750
B shares	14,823	14,815
C shares	3,761	3,753
	22,334	22,318

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
Capital increase, 7 April 2016	99
Capital increase, 13 October 2017	222
Capital increase, 20 December 2019	27
Capital increase, 21 December 2020	20
Capital increase 17 February 2021	16
At 31 December 2021	22,334

Each class A share carries 1 vote, and each class C share carries 10 votes. None of the class B shares carry any votes. The nominal value of the shares is DKK 1 per share. The number of shares and nominal value are equal.

30 Standards issued, but not yet effective

IASB has published new standards, amendments to existing standards and interpretations that are not yet mandatory at 31 December 2021 or are not yet adopted by the EU at 31 December 2021.

The Group expects to adopt the new standards and interpretations when they become effective.

None of the standards and interpretations are expected to have a material impact on the consolidated financial statements of the Group.

31 Events after the reporting period

By reference to the management review, a change of ownership of EET A/S that took place on February 3, 2022, where also a new financing structure has been implemented whereby all existing bank debt as at 31 December 2021 debt has been replaced.

Furthermore, minority interest in subsidiaries were in connection with the change of ownership also acquired whereby all sales entities hereafter are fully owned by the Group.

Today the ultimate owners of EET A/S are the Executive Board. The ownership is exercised through the companies GL1 ApS and Mgt Holdco ApS.

No further events have occurred after the balance sheet date to this date which could influence the evaluation of these financial statements.

Parent company income statement for the period 1 January – 31 December

Note	DKK'000	2021	2020
	Revenue	1,339	1,241
	Gross profit/loss	1,339	1,241
4	Other expenses	-5,427	-4,187
5	Staff costs	-1,070	-880
	Operating profit/loss before special items	-5,158	-3,826
6	Special items	-791	0
	Operating profit/loss	-5,949	-3,826
7	Finance income	61	0
8	Finance costs	-272	-153
	Profit/loss before tax	-6,160	-3,979
9	Income tax expense	-230	-4,980
	Profit/loss for the year	-6,390	-8,959
	Attributable to:		
	Shareholders in EET A/S	-6,390	-8,959

Parent company statement of comprehensive income for the period 1 January – 31 December

Note	DKK'000	2021	2020
	Profit/loss for the year	-6,390	-8,959
	Total comprehensive income, net of tax	-6,390	-8,959
	Attributable to:		
	Shareholders in EET A/S	-6,390	-8,959
	Total comprehensive income, net of tax	-6,390	-8,959

Parent company statement of financial position at 31 December

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
10	Investments in subsidiaries	512,840	512,840
	Deferred tax asset	0	195
	Total non-current assets	512,840	513,035
	Current assets		
	Receivables from group entities	7,052	3,576
9	Income tax receivable	0	0
	Other receivables	434	247
	Total current assets	7,486	3,823
	TOTAL ASSETS	520,326	516.858
	EQUITY AND LIABILITIES		
	Equity		
	Equity attributable to shareholders in EET A/S	499,319	504,537
	Total equity	499,319	504,537
	Liabilities		
	Current liabilities		
	Trade payables	899	491
9	Income tax payable	20,108	11,830
	Total current liabilities	21,007	12,321
	Total liabilities	21,007	12,321
	TOTAL EQUITY AND LIABILITIES	520,326	516.858

Parent company cash flow statements for the period 1 January – 31 December

Note	DKK'000	2021	2020
	Operating activities		
	Operating profit/loss	-5,949	-3,826
	Working capital adjustments:		
	Change in receivables from and payables to group entities	-3,663	3,166
	Change in trade and other payables	8,686	-3,826
	Other non-cash adjustments	-26	-
		-952	-4,486
	Interest received	61	0
	interest paid	-272	-154
	Income tax paid	-35	-
	Net cash flows from operating activities	-1,198	-4,640
	Investing activities		
	Acquisition of subsidiary, net of cash	0	0
	Net cash flows from investing activities	0	0
	Financing activities		
	Proceeds from the issue of share capital	1,198	1,000
	Net cash flows from financing activities	1,198	1,000
	Net decrease in cash	0	0
	Cash and cash equivalents at 1 January	0	0
	Cash and cash equivalents at 31 December	0	0

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

	Shareholders in EET A/S		
	Share capital	Retained earnings	Total equity
Equity at 1 January 2021	22,318	482,219	504,527
Profit/loss for the year	-	-6,390	-6,390
Exchange rate changes	-	-16	-16
Total comprehensive income	22,298	475,813	498,121
Total transactions with shareholders			
Capital increase	16	1,182	1,198
Equity at 31 December 2020	22,334	476,995	499,319

	Shareholders in EET A/S		
	Share capital	Retained earnings	Total equity
Equity at 1 January 2020	22,298	490,218	512,516
Profit/loss for the year	0	-8,959	-8,959
Total comprehensive income	22,298	481,259	503,557
Total transactions with shareholders			
Capital increase	20	980	1,000
Shareholder costs	0	-20	-20
Equity at 31 December 2020	22,318	482,219	504,537

Parent company financial statements for the period 1 January – 31 December

Overview of notes to the parent company financial statements

Parent company financial statements for the period 1 January – 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 parent company financial statements are presented in DKK, which is the Parent Company'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 pages 29-38.

3 Supplementary accounting policies for the Parent Company

Investments in subsidiaries

Investments in subsidiaries are measured at cost, which comprises consideration transferred measured at fair value and any directly attributable transaction costs. If there is indication of impairment, an impairment test is performed as described in the accounting policies in the consolidated financial statements. Where the recoverable amount is lower than cost, the investment is written down to this lower value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the recoverable amount does not exceed the original cost.

Parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

DKK'000	2021	2020
4 Audit fees		
Statutory audit	374	340
Other assurance services	45	45
Tax and VAT advisory services	32	29
Non-audit services	140	221
Total	591	635
5 Staff costs		
Wages and salaries	1,070	880
Total staff costs	1,070	880
Average number of employees	0	0
Remuneration of the Executive Management Board and the Board of Directors		
Wages and salaries	1,070	880
6 Special items		
Acquisition and divestment-related costs	791	0
Total special items	791	0
7 Finance income		
Interest income, group entities	61	0
Total finance income	61	0
8 Finance costs		
Other finance costs	1	45
Interest expenses, group entities	271	108
Total finance costs	272	153
9 Income tax expense		
Major components of the income tax expense for the year ended 31 December:		
Income statement		
Current income tax:		
Current income tax charge	261	233
Change in deferred tax	-195	0
Adjustment, prior year	-296	-5,213
Income tax expense in the income statement	-230	-4,980
Profit/loss before tax	-6,390	-3,979
Calculated at Denmark's statutory income tax rate of 22.0%	1,406	875
Adjustment, prior year and permanent differences, etc.	-1,636	-5,855
Income tax expense reported in the income statement	-230	-4,980

Parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

DKK'000	2021	2020
10 Investments in subsidiaries		
Cost at 1 January	512,840	512,840
Cost at 31 December	512,840	512,840
Value adjustments at 31 December	0	0
Carrying amount at 31 December	512,840	512,840

Name	Principal activities	Country of incorporation	% equity interest 2021
EET Holdings A/S	Subholding	Denmark	100.00%

For further details about group entities, please refer to note 27 to the consolidated financial statements.

11 Commitments and pledges

EET A/S is jointly and severally liable for the Group's bank loans, which have a nominal value of DKK 994 million (2020: DKK 798 million).

EET A/S has executed a share pledge over its shares in EET Holding A/S and also 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 29 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.

12 Financial risk management objectives and policies

The Company only has investments in the subsidiary EET Holdings A/S and does not have any significant receivables or debt. Risks related to currency, credit and liquidity are handled at group level. Please refer to note 24 to the consolidated financial statements for further information on the Group's exposure to the risk.

13 Capital management

The primary objective of the Company's capital management is to maximise shareholder value, which is handled at group level. Please refer to note 25 to the consolidated financial statements for further information on the Group's capital management.

14 Related parties

Related parties are described in note 27 to the consolidated financial statements. Remuneration of the Board of Directors is specified in note 6 to the consolidated financial statements. Further, the Company has intercompany group balances in the statement of financial position, and interest to group entities is specified in notes 9 and 10 to the consolidated financial statements. The Company does not have any other related party transactions.

15 Issued capital

Issued capital is described in note 29 to the consolidated financial statements.

16 Standards issued, but not yet effective

Standards issued, but not yet effective are described in note 30 to the consolidated financial statements.

Parent company financial statements for the period 1 January – 31 December

Notes to the financial statements

17 Events after the reporting period

By reference to the management review, a change of ownership of EET A/S that took place on February 3, 2022, where also a new financing structure has been implemented whereby all existing bank debt as at 31 December 2021 debt has been replaced.

Furthermore, minority interest in subsidiaries were in connection with the change of ownership also acquired whereby all sales entities hereafter are fully owned by the Group.

Today the ultimate owners of EET A/S are the Executive Board. The ownership is exercised through the companies GL1 ApS and Mgt Holdco ApS.

No further events have occurred after the balance sheet date to this date which could influence the evaluation of these financial statements.

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

Jan Holmetoft Iversen
Executive Board
On behalf of: EET A/S
Serial number: PID:9208-2002-2-811470781868
IP: 5.186.xxx.xxx
2022-06-10 12:33:35 UTC
NEM ID

Jan Holmetoft Iversen
Chair of the meeting
On behalf of: EET A/S
Serial number: PID:9208-2002-2-811470781868
IP: 5.186.xxx.xxx
2022-06-10 12:33:35 UTC
NEM ID

Søren Drewsen
Executive Board
On behalf of: EET A/S
Serial number: 77c96bff-e246-4daf-a947-7341cccba097
IP: 152.115.xxx.xxx
2022-06-13 07:36:45 UTC
MitID

Søren Drewsen
Board of Directors
On behalf of: EET A/S
Serial number: PID:9208-2002-2-387626225784
IP: 152.115.xxx.xxx
2022-06-13 07:41:43 UTC
NEM ID

Claus Ring
Chair
On behalf of: EET A/S
Serial number: PID:9208-2002-2-499865921925
IP: 152.115.xxx.xxx
2022-06-13 10:09:15 UTC
NEM ID

Dennis Funch Jensen
Board of Directors
On behalf of: EET A/S
Serial number: 2ef276c0-28b2-4140-94dc-12c0bb39de09
IP: 152.115.xxx.xxx
2022-06-13 11:03:22 UTC
MitID

Ole Becker
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:65669285
IP: 165.225.xxx.xxx
2022-06-13 11:44:29 UTC
NEM ID