

**EET Holdings A/S  
Bregnerødvej 133 D  
3460 Birkerød  
CVR No. 3653 5334**

**3<sup>rd</sup> financial year**

**Annual report 2017**

***Annual general meeting***

Approved at the Company's annual general meeting on 29 May 2018



Chairman

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## Company details

### Company

EET Holdings A/S  
Bregnerødvej 133D  
3460 Birkerød  
Phone: +45 45 82 19 19  
Company Reg.No 3653 5334  
Date of incorporation: 6 February 2015.  
Financial year: 1 January – 31 December

### Shareholder

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

EET A/S, Birkerød

### Board of Directors

Thomas Broe-Andersen  
*chairman*

Lars Denkov

Nicolai Norrbom

### Executive Board

Søren Drewsen Jan Holmetoft Iversen

### Company auditor

Ernst & Young P/S  
Osvold Helmuths Vej 4  
Postboks 250  
2000 Frederiksberg

### Ultimate parent company

EET A/S, Birkerød

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## Management's review

### Activity

The objective of EET Holdings A/S is to have participating interests in subsidiaries with activities within development, sale and marketing of Information, Communication Technology products in Europe.

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

EET Group A/S carries out the main operations of the Group, enjoys a leading position in the European market.

EET Group is present in a total of 20 countries having more than 27 local sales offices which are marketed under the name EET Europarts, all focusing on the following product areas:

- IT components and supplies for computers, servers and printers
- IT components and supplies for mobile devices
- Video surveillance and Security products
- Consumer electronics
- Professional Audio Video equipment & Digital Signage products
- Point of Sale (POS) & AutoID equipment
- Network & Storage

EET markets a broad range of leading trademarks, including HP, IBM, Zebra, Honeywell, Lexmark, Toshiba, Acer, Dell, NEC, Axis, Epson, Samsung, Ernitec, NEC, Sony, B&O Play, and Kensington. EET markets more than 900 trademarks and more than 1,200,000 item numbers.

### Development in activities and financial matters

The Company has had a negative result of DKK 81.1 million. The result is negatively impacted by amortization of intangible assets included as part of the result in subsidiary of DKK 135 million and from financing costs of DKK 43.1 million.

The result is as expected and taken the investment into consideration satisfactory.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

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

The Board of Directors and the Executive Board have today discussed and approved the annual report of EET Holdings A/S for the financial year 1 January – 31 December 2017.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

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

Birkerød, 29 May 2018

### Executive Board

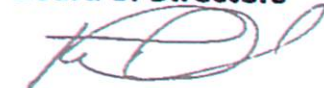


Søren Drewsen



Jan Holmetoft Iversen


### Board of Directors



Thomas Broe-Andersen  
Chairman



Lars Denkov



Nicolai Norrbom



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## Independent auditor's report

To the shareholder of EET Holdings A/S

### Opinion

We have audited the financial statements of EET Holdings A/S for the financial year 1 January – 31 December 2017, which comprise an accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

### Management's responsibilities for the financial statements

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

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

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

Our objectives are to obtain reasonable assurance about 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.



## Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 29 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Ole Becker  
State Authorised Public Accountant  
MNE-nr.: mne33732



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## Accounting Policies

### Basis of accounts

The annual report of EET Holdings A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities with additions notes from class C (middle).

The accounting policies are consistent with those of last year.

The Company has in accordance with §112.1 in the Danish Financial Statements Act prepared consolidated accounts as the accounts are included in the consolidated accounts for EET A/S.

### Recognition and measurement

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

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

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

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

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

### Translation of amounts in foreign currencies

On initial recognition, transactions in currencies different from the company's functional currency are translated applying the transaction date exchange rate.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the rate effective at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

### Financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognized under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of the fair value of a recognized asset or a recognized liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognized directly on equity. When the hedged transactions are realized, the changes are recognized in the relevant items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognized currently in the income statement as financial income or financial expenses.



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## Accounting Policies

### INCOME STATEMENT

#### Gross Profit

Gross profit consists of other external costs and group allocations.

#### Other external expenses

Other external expenses include expenses related to administration etc.

#### Financial income & expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses on liabilities other than provisions and transactions in foreign currencies etc as well as tax surcharges and repayments under the Danish Tax Prepayment Scheme.

#### Taxation

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit/loss for the year and recognized directly on equity by the portion attributable to entries directly on equity.

Current taxes are computed on the basis of the pre-tax profit/loss for the year adjusted for non-taxable income and expenditure. Taxes paid on account are offset against taxes payable at year end.

The company is jointly taxed with the parent company and its Danish subsidiaries. Danish corporation taxes are fully allocated among the jointly taxed companies on the basis of the companies' taxable income. (Full allocation with reimbursement of tax losses).

### BALANCE SHEET

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

This means that, in the balance sheet, investments are measured at the proportionate share of the enterprises' net asset value plus or minus unamortized positive, or negative, goodwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and minus or plus amortisation of positive, or negative, goodwill on consolidation is recognised in the income statement.

Subsidiaries with negative net asset value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative net asset value if it is deemed irrecoverable.

If the negative net asset value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries is taken to the reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Goodwill is calculated as the difference between the cost of investments and the fair value of acquired assets and liabilities.

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## Accounting Policies

The amortisation period for goodwill on consolidation is up to 20 years for strategically acquired enterprises with a strong market position and long-term earnings profiles if the longer amortisation period is considered better reflect the Group's benefit from the relevant resources.

### Receivables

Receivables are measured at amortised cost, which usually equals the nominal value.

Provision for bad debts is made.

### Equity - Dividends

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

### Income tax and deferred tax

The current tax payable and receivable is recognized in the balance sheet as tax calculated on this year's taxable income, adjusted for prior years' taxable income and prepaid taxes.

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

Deferred tax is measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### Liabilities

Financial liabilities are initially recognised at fair value less transaction costs. Subsequently, the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities.

*Other liabilities are measured at net realised value.*

## Income statement

	Note	2017 DKK '000	2016 DKK '000
Gross profit		-31	35
Staff costs	1	0	0
Earnings before Interest and Taxes (EBIT)		-31	35
Profit after tax in subsidiary		-48.369	-22.998
Financial income	2	10.011	7.804
Financial expenses	3	-43.966	-54.839
Profit/loss before tax (PBT)		-82.355	-69.998
Tax from ordinary profit	4	1.284	5.305
Loss for the period		-81.071	-64.693
Profit appropriation			
Retained earnings		-81.071	-64.693
		-81.071	-64.693



## Balance sheet at 31 December

	Note	2017 DKK '000	2016 DKK '000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary		864.233	919.380
Deferred taxes		0	2.288
Amounts owed by affiliated companies		48.867	56.257
<b>Total financial assets</b>		<b>913.100</b>	<b>977.925</b>
<b>Total non-current assets</b>		<b>913.100</b>	<b>977.925</b>
<b>Current assets</b>			
Amounts owed by affiliated companies		3.415	76.354
<b>Total receivables</b>		<b>3.415</b>	<b>76.354</b>
<b>Total current assets</b>		<b>3.415</b>	<b>76.354</b>
<b>Total assets</b>		<b>916.515</b>	<b>1.054.279</b>
<b>Equity and liabilities</b>			
<b>Share capital</b>			
Share capital		24.806	24.806
Retained earnings		284.368	371.521
<b>Equity</b>		<b>309.174</b>	<b>396.327</b>
<b>Liabilities other than provisions</b>			
<b>Amounts owed to credit institutions</b>			
Long term debt	5	545.069	592.910
Short term portion of long term liabilities	5	51.840	37.980
Amounts owed to affiliated companies		0	8.664
Other payables		10.432	18.398
<b>Current liabilities</b>		<b>62.272</b>	<b>65.042</b>
<b>Total liabilities</b>		<b>607.341</b>	<b>657.952</b>
<b>Total equity and liabilities</b>		<b>916.515</b>	<b>1.054.279</b>
<b>Mortgages, collaterals and contingent liabilities</b>			
Parent Company	7		

**Note 1 - staff costs**

*Note 1 - staff costs*

The company has not had any employees in 2017.  
No remuneration has been paid to the Board of Directors .

**Note 2 - Financial income**

	2017	2016
	DKK '000	DKK '000
Interest income from affiliated companies	2.965	5.273
Fair value adjustment of interest rate swap	7.046	0
Gain on foreign currency exchange	0	2.531
	<u>10.011</u>	<u>7.804</u>

**Note 3 - Financial expenses**

	2017	2016
	DKK '000	DKK '000
Interest on debts and borrowings, etc.	35.122	37.591
Amortisation of borrowing costs	7.066	7.105
In-effectiveness interest rate swap	0	9.026
Recycle interest rate swap to income statement	894	1.117
Loss on foreign currency exchange	885	0
	<u>43.966</u>	<u>54.839</u>

**Note 4 - Tax on ordinary profit**

	2017	2016
	DKK '000	DKK '000
Calculated tax on the profit of the year	-3.572	-3.928
Change in deferred taxes	2.288	-1.377
	<u>-1.284</u>	<u>-5.305</u>

**Note 5 - Amounts owed to credit institutions**

	2017	2016
	DKK '000	DKK '000
Debt amount consists of:		
Loans amount owed to credit institutions	619.873	660.919
Loan costs	-22.963	-30.029
<b>Total</b>	<u>596.909</u>	<u>630.890</u>
Loan amounts falling due in 2018	51.840	37.980
Loan amounts falling due 2019-2021	166.685	222.157
Loan amounts falling due 2022	401.348	400.782
<b>Total</b>	<u>619.873</u>	<u>660.919</u>

The debt falls due and becomes payable until 2022

The debt facilities are subject to customary obligations, provisions and other restrictions.  
Financial covenants include debt, interest coverage ratios, cash flow and investment ratios.

**Interest rate hedging**

The Company has entered into interest rate swap agreement to hedge interest rate risk on its senior debt facilities. As of 31 December 2017 the interest rate hedges were tested ineffective. The effective amount recognised in equity as of 30 September 2016 will be recycled to profit and loss over the period until March 2022. All future changes in the derivative will be recognised in profit and loss. The amount recognised in equity as of 31 December 2017 is 3.499 t.DKK.

**Note 6 - Mortgages, collaterals and contingent liabilities**

The company has provided guarantee for the group's bank debt of 737.931 t.DKK at 31. December 2017.

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

Shares in subsidiary with a net book value of 864.233 t.DKK at 31.12.2017 have been pledged as security for bank loans.

**Note 7 - Parent company**

*EET Holdings A/S is included in the consolidated financial statements of EET A/S, cvr. 3653 5326  
Bregnerødvej 133 D, 3460 Birkerød, Denmark.*