

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

1st financial year

Annual report 2015

6 February 2015 – 31 December 2015

Annual general meeting

Approved at the general meeting of the shareholder on 4 May 2016



Chairman

Table of contents

	<i>Page</i>
Company details	1
Management's review	2
Statement by the Board of Directors and the Executive Board	3
Independent auditors' report	4
Accounting policies	6
Income statement	9
Balance sheet at 31 December	10
Notes	11

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 6 February 2015 – 31 December 2015

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

Executive Board

John Thomas Jan Holmetoft Iversen

Company auditor

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

Ultimate parent company

EET A/S, Birkerød

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 6 February – 31 December 2015.

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

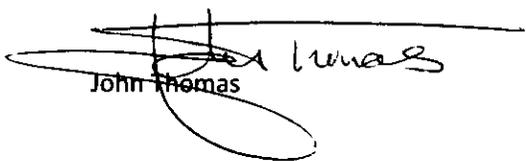
It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 6 February – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the 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, 4 May 2016

Executive Board

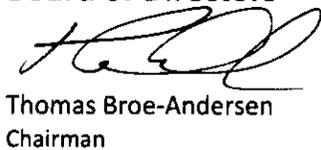


John Thomas



Jan Holmtoft Iversen

Board of Directors



Thomas Broe-Andersen
Chairman



Lars Denkov

Managements 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 CCTV
- Home entertainment and lifestyle electronics
- Professional Audio Video equipment
- Point of Sale (POS) & AutoID equipment
- Network & Storage

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

Development in activities and financial matters

The Company has had a negative result of DKK 14.9 million which is expected and is satisfactory. The result is negatively impacted by amortization of intangible assets included as part of the result in subsidiary of DKK 82.2 million and from financing costs of DKK 31.8 million.

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.

Independent auditors' report

To the shareholder of EET Holdings A/S

Independent auditors' report on the financial statements

We have audited the financial statements of EET Holdings A/S for the financial year 6 February – 31 December 2015 which comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 6 February – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report

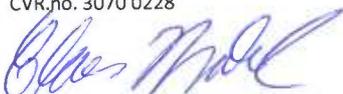
Statement on the Management's review

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

Copenhagen, 4 May 2016

Ernst & Young

Godkendt Revisionspartnerselskab
CVR.no. 3070 0228



Claus Kronbak
State Authorised Public Accountant



Ole Becker
State Authorised Public Accountant

Accounting Policies

Basis of accounts

The annual report of EET Holdings A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under Danish Financial Statements Act.

The Company has in accordance with §112.1 in the Danish Financial Statements Act not included consolidated accounts.

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.

Accounting Policies

INCOME STATEMENT

Gross Profit

Gross profit consists of other external costs and group allocations.

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.

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.

Accounting Policies

Receivables

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

Provision for bad debts is made.

Equity - Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation 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.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Income statement

	Note	6 Feb - 31 Dec 2015 DKK '000
Gross profit		<u>85</u>
Staff costs	1	<u>0</u>
Earnings before Interest and Taxes (EBIT)		<u>85</u>
Profit after tax in subsidiary	5	8.794
Financial income	2	4.487
Financial expenses	3	-31.838
Profit/loss before tax (PBT)		<u>-18.472</u>
Tax from ordinary profit	4	3.550
Loss for the period		<u>-14.922</u>
Profit appropriation		
Retained earnings		<u>-14.922</u>

Balance sheet at 31 December

	Note	2015 DKK '000
Assets		
Non-current assets		
Investment in subsidiary	5	943.935
Deferred taxes	6	1.157
Amounts owed by affiliated companies	7	120.975
Total financial assets		<u>1.066.067</u>
Total non-current assets		<u>1.066.067</u>
Current assets		
Amounts owed by affiliated companies		95.069
Total receivables		<u>95.069</u>
Total current assets		<u>95.069</u>
Total assets		<u>1.161.136</u>
Equity and liabilities		
Share capital		24.806
Retained earnings		436.901
Equity	8	<u>461.707</u>
Liabilities other than provisions		
Amounts owed to credit institutions		626.597
Long term debt	9	<u>626.597</u>
Short term portion of long term liabilities	9	27.093
Amounts owed to credit institutions		2
Trade payables		122
Amounts owed to affiliated companies		35.890
Other payables		9.725
Current liabilities		<u>72.832</u>
Total liabilities		<u>699.429</u>
Total equity and liabilities		<u>1.161.136</u>
Mortgages, collaterals and contingent liabilities	10	
Ownership	11	

Noter/Notes

Note 1 - staff costs

Note 1 - staff costs

The company has not had any employees in 2015.
No remuneration has been paid to the Board of Directors .

Note 2 - Financial income

	2015 DKK '000
Interest income from affiliated companies	4.487
	<u>4.487</u>

Note 3 - Financial expenses

	2015 DKK '000
Interest expenses to affiliated companies	209
Loss on foreign currency exchange	512
Interest on debts and borrowings, etc.	23.398
Amortisation of borrowing costs	5.260
In-effectiveness interest rate swap	2.459
	<u>31.838</u>

Note 4 - Tax on ordinary profit

	2015 DKK '000
Calculated tax on the profit of the year	-4.707
Change in deferred taxes	1.157
	<u>-3.550</u>

Note 5 - Investment in subsidiary

	2015 DKK '000
Accumulated cost start of year	0
Additions in the year	967.055
Accumulated cost end of year	967.055
Accumulated net revaluation start of year	0
Profit/loss after tax in subsidiary	8.794
Equity adjustments in subsidiary etc.	-31.913
Accumulated net revaluation at year end	<u>-23.119</u>
Carrying amount at year end	<u>943.935</u>

Noter/Notes

Note 5 - Investment in subsidiary, continued

Investment in subsidiary includes:

EET Group A/S, Birkerød - 100%

In the net book value of participating interest an amount of DKK1.145 million relates to intangible assets and result from subsidiary is negatively impacted by amortisation of DKK 82.2 million.

Investments in affiliated companies owned by EET Group A/S:

EET Europarts A/S, Birkerød (Denmark) - 100%

EET Europarts Norway AS, Oslo (Norway) - 100%

EET Europarts AB, Stockholm (Sweden) - 100%

EET Europarts OY, Helsinki (Finland) - 100%

EET Europarts SAS, Lyon (France) - 92.5%

EET Italy S.R.L., Milano (Italy) - 92.5%

EET Spain SA, Madrid (Spain) - 93.5%

EET Europarts BV, Utrecht (Holland) - 100%

EET Europarts Ltd, London (UK) - 94%

EET Europarts GmbH, Zug (Switzerland) - 100%

EET Europarts GmbH, Harrislee (Germany) - 100%

EET Europarts GmbH, Wien (Austria) - 80%

EET Europarts Polska SP. z.o.o., Gdansk (Poland) - 55%

EET Europarts s.r.o., Praha (Czech) - 100%

EET Europarts Ukraine LLC, Kiev (Ukraine) - 100%

Lothar Finance Egypt LLC, Cairo (Egypt) - 100%

EET International A/S, Birkerød (Denmark) - 100%

Sandberg A/S, Birkerød (Denmark) - 50.1%

EAF Supply Chain Holding Ltd., (UK) - 50.1%

Rijnmond Supplies GmbH, Stuttgart (Germany) - 100%

Investments in Joint Ventures owned by EET Group A/S:

EET Europarts Africa Pty, Johannesburg (South Africa) - 50%

Europarts Rus ZAO, Moscow (Russia) - 50%

Clint Digital ApS, Birkerød (Denmark) - 51%

Note 6 - Deferred tax

	2015 DKK '000
Additions in the year	1.157
Accumulated net revaluation at year end	<u>1.157</u>
Carrying amount at year end	<u>1.157</u>

Note 7 - amounts owed by affiliated companies

	2015 DKK '000
Amounts falling due after 5 years	<u><u>0</u></u>

Noter/Notes

	2015
	DKK
	'000
Note 8 - Equity	
	50
Equity at incorporation	486.574
Capital injections during the year	26.216
Received capital injection which are not share capital	-14.922
Loss for the year	-4.298
Value adjustment of interest swap, net of tax	-31.913
Equity adjustments in subsidiary etc.	<u>461.707</u>
Equity at year-end	
Equity specification:	<u>50</u>
Share capital at incorporation	<u>24.756</u>
Capital injections during the year	<u>24.806</u>
Share capital end fiscal year	
Reserve for net revaluation of investments in subsidiaries, start fiscal year	8.794
Amount allocated from profit for the year	-31.913
Equity adjustments in subsidiary etc.	<u>23.119</u>
Negative amount transferred to retained earnings	<u>0</u>
Reserve for net revaluation of investments in subsidiaries at year end	
Retained earnings	-23.716
Retained earnings current year	461.818
Share premium	26.216
Received capital injection which are not share capital	-4.298
Value adjustment of interest swap	-23.119
Transferred amount from net revaluation of investments in subsidiaries	<u>436.901</u>
Total retained earnings	<u>461.707</u>
Total equity	
Development in share capital:	
	50
Paid in capital at incorporation at February 6, 2015	450
Capital increase at 8 April 2015	<u>24.306</u>
Capital increase at 10 April 2015	<u>24.806</u>

The share capital of 24.806 t.DKK consists of shares in multipla of DKK 1. The share capital has not been divided into classes. The costs related to capital increases during the year amounts to 0 t.DKK

Noter/Notes

Note 9 - Amounts owed to credit institutions	2015 DKK '000
Debt amount consists of:	690.509
Loans owed to credit institutions	-36.819
Loan costs	<u>653.690</u>
Total	27.093
Loan amounts falling due in 2016	221.932
Loan amounts falling due 2017-2020	<u>441.484</u>
Loan amounts falling due 2021-2022	<u>690.509</u>
Total	

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

Note 10 - Mortgages, collaterals and contingent liabilities

The company has provided guarantee for the group's bank debt of 760.908 t.DKK at 31.12.2015

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

Shares in subsidiary with a net book value of 943.935 t.DKK at 31.12.2015 have been pledged as security for bank loans.

Note 11 - Ownership

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, cvr. 3653 5326, Bregnerødvej 133 D, 3460 Birkerød

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