

Gunnebo Entrance Control ApS

Hørsvinget 7, Klovtofte, 2630 Taastrup

Company reg. no. 42 39 45 56

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 13 July 2023.

Timothy Paul Day
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2022	
Accounting policies	7
Income statement	12
Balance sheet	13
Notes	15

Management's statement

Today, the Executive Board has approved the annual report of Gunnebo Entrance Control ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Høje Taastrup, 13 July 2023

Executive board

Nathan John Anstee

Timothy Paul Day

Independent auditor's report

To the Shareholders of Gunnebo Entrance Control ApS

Opinion

We have audited the financial statements of Gunnebo Entrance Control ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

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

Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 13 July 2023

EY
Godkendt Revisionspartnerselskab

Company reg. no. 30 70 02 28

Allan Nørgaard
State Authorised Public Accountant
mne35501

Company information

The company

Gunnebo Entrance Control ApS
Hørsvinget 7, Klovtofte
2630 Taastrup

Company reg. no. 42 39 45 56
Domicile: Høje Taastrup
Financial year: 1 January - 31 December

Executive board

Nathan John Anstee
Timothy Paul Day

Auditors

EY
Godkendt Revisionspartnerselskab
c/o Postboks 250,
Dirch Passers Allé 36
2000 Frederiksberg

Parent company

Gunnebo Entrance Control AB

Management's review

Description of key activities of the company

Gunnebo Entrance Control is a specialist in entrance control solutions with a wide range of products ranging from simple to advanced.

Development in activities and financial matters

The gross profit for the year totals TDKK 5.858 against TDKK 779 last year. Income or loss from ordinary activities after tax totals TDKK -156 against TDKK 179 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Gunnebo Entrance Control ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, bonus and other social security costs, etc., for staff members.

Depreciation, amortisation, and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period used is 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	5.858.400	779.208
1 Staff costs	-4.572.435	-643.484
Depreciation and impairment of non-current assets	-898.699	-149.251
Operating profit	387.266	-13.527
Other financial income	206.003	268.486
2 Other financial expenses	-466.921	-25.697
Pre-tax net profit or loss	126.348	229.262
3 Tax on net profit or loss for the year	-282.767	-50.438
Net profit or loss for the year	-156.419	178.824
Proposed distribution of net profit:		
Transferred to retained earnings	0	178.824
Allocated from retained earnings	-156.419	0
Total allocations and transfers	-156.419	178.824

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
4	Goodwill	7.906.758	8.801.863
	Total intangible assets	<u>7.906.758</u>	<u>8.801.863</u>
5	Other fixtures, fittings, tools and equipment	7.394	6.774
	Total property, plant, and equipment	<u>7.394</u>	<u>6.774</u>
	Total non-current assets	<u>7.914.152</u>	<u>8.808.637</u>
Current assets			
	Manufactured goods and goods for resale	2.263.610	527.517
	Total inventories	<u>2.263.610</u>	<u>527.517</u>
	Trade receivables	5.959.961	5.175.737
6	Contract work in progress	224.966	629.067
	Receivables from group enterprises	94.908	464.406
	Prepayments	85.557	45.569
	Total receivables	<u>6.365.392</u>	<u>6.314.779</u>
	Cash and cash equivalents	<u>2.409.086</u>	<u>0</u>
	Total current assets	<u>11.038.088</u>	<u>6.842.296</u>
	Total assets	<u>18.952.240</u>	<u>15.650.933</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
	Contributed capital	40.000	40.000
	Retained earnings	22.405	178.824
	Total equity	62.405	218.824
Provisions			
7	Provisions for deferred tax	276.656	0
	Total provisions	276.656	0
Liabilities other than provisions			
	Bank loans	0	2.221.304
6	Prepayments received from customers for contract work in progress	1.828.600	480.100
	Trade payables	1.753.089	523.987
	Payables to group enterprises	12.125.242	10.908.512
	Income tax payable	0	50.438
	Other payables	2.827.752	1.139.000
	Deferred income	78.496	108.768
	Total short term liabilities other than provisions	18.613.179	15.432.109
	Total liabilities other than provisions	18.613.179	15.432.109
	Total equity and liabilities	18.952.240	15.650.933
8 Charges and security			
9 Contingencies			

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	4.066.777	643.484
Pension costs	<u>505.658</u>	<u>0</u>
	<u>4.572.435</u>	<u>643.484</u>
Average number of employees	<u>7</u>	<u>7</u>
2. Other financial expenses		
Financial costs, group enterprises	273.011	25.697
Other financial costs	<u>193.910</u>	<u>0</u>
	<u>466.921</u>	<u>25.697</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	50.438
Adjustment of deferred tax for the year	27.796	0
Adjustment of tax for previous years	6.111	0
Adjustment of deferred tax for previous years	<u>248.860</u>	<u>0</u>
	<u>282.767</u>	<u>50.438</u>
4. Goodwill		
Cost 1 January 2022	8.951.047	0
Additions during the year	<u>0</u>	<u>8.951.047</u>
Cost 31 December 2022	<u>8.951.047</u>	<u>8.951.047</u>
Amortisation and write-down 1 January 2022	-149.184	0
Amortisation and depreciation for the year	<u>-895.105</u>	<u>-149.184</u>
Amortisation and write-down 31 December 2022	<u>-1.044.289</u>	<u>-149.184</u>
Carrying amount, 31 December 2022	<u>7.906.758</u>	<u>8.801.863</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	6.841	0
Additions during the year	<u>4.213</u>	<u>6.841</u>
Cost 31 December 2022	<u>11.054</u>	<u>6.841</u>
Depreciation and write-down 1 January 2022	-67	0
Amortisation and depreciation for the year	<u>-3.593</u>	<u>-67</u>
Depreciation and write-down 31 December 2022	<u>-3.660</u>	<u>-67</u>
Carrying amount, 31 December 2022	<u>7.394</u>	<u>6.774</u>
6. Contract work in progress		
Selling price of the production for the period	224.966	629.067
Billed on account to customers	<u>-1.828.600</u>	<u>-480.100</u>
Contract work in progress, net	<u>-1.603.634</u>	<u>148.967</u>
The following is recognised:		
Contract work in progress (current assets)	224.966	629.067
Contract work in progress (prepayments received on account)	<u>-1.828.600</u>	<u>-480.100</u>
	<u>-1.603.634</u>	<u>148.967</u>
7. Provisions for deferred tax		
Provisions for deferred tax 1 January 2022	248.860	0
Deferred tax relating to the net profit or loss for the year	<u>27.796</u>	<u>0</u>
	<u>276.656</u>	<u>0</u>
8. Charges and security		
The company has bank guarantees totals of TDKK 735 through the company's bank.		

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Gunnebo Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.