

Mgt Holdco ApS

Bregnerødvej 133, 3460 Birkerød

CVR no. 43 16 78 63

Annual report 2022

(Period 30 March 2022 - 31 December 2022)

Approved at the Company's annual general meeting on 26 June 2023

Chair of the meeting:

.....
Jan Holmetoft Iversen

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Statement by the Executive Board

Today, the Executive Board have discussed and approved the annual report of Mgt Holdco ApS for the financial year as of the establishment of the Company 30 March 2022 - 31 December 2022.

The annual report is prepared in accordance with 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 2022 and of the results of their operations and consolidated cash flows for the financial year 30 March - 31 December 2022.

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, the results for the year and the Group's and the Parent Company's financial position.

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

Birkerød, 26 June 2023
Executive Board:

.....
Søren Drewsen
CEO

.....
Jan Holmetoft Iversen
CFO

Independent auditor's report

To the shareholders of Mgt Holdco ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Mgt Holdco ApS for the financial year 30 March - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 2022 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 30 March - 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 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.

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 the Danish Financial Statements Act. Moreover, Management is responsible 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.

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.

Independent auditor's report

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.

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.

Independent auditor's report

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.

Copenhagen, 26 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised
Public Accountant
mne33732

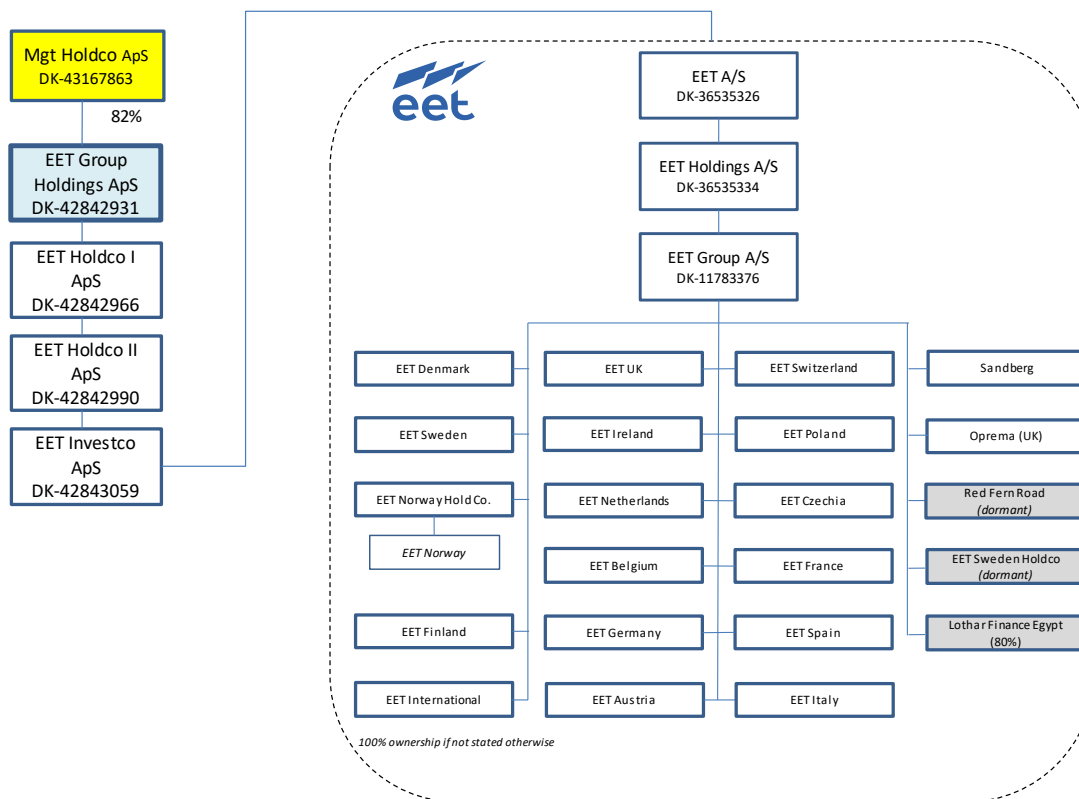
Management's review

Company details

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------|
| Name | Mgt Holdco ApS |
| Address, postal code, city | Bregnerødvej 133, 3460 Birkerød |
| CVR no. | 43 16 78 63 |
| Established | 30 March 2022 |
| Registered office | Birkerød, Denmark |
| Financial year | 30 March - 31 December |
| Executive Board | Søren Drewsen, CEO Jan Holmetoft Iversen, CFO |
| Auditors | EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 P.O. Box 250 2000 Frederiksberg Denmark |

Management's review

Group chart



Grey entities are without commercial activity.

Business review

Mgt Holdco ApS is a holding company, which only purpose is to hold shares directly or indirectly in group enterprises. Mgt Holdco ApS' main investment is EET Group Holdings ApS, which in turn owns EET A/S through a set of investment entities.

EET is a distributor/wholesaler in the IT industry and distributes IT products, IT accessories and IT spare parts. 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 that services more than 30.000 buying B2B customers.

Financial review

Mgt Holdco ApS was incorporated on March 30, 2022 and the investment in EET Group Holdings ApS took place on April 1st 2022. The consolidated income statement includes the period 1 April 2022 - 31 December 2022 for the underlying group of entities.

The parent company holds 82% of the shares in EET Group Holdings ApS and does not have any other activity other than providing management services to the group.

The consolidated result for the period shows a loss of EUR 31 million which is expected and a consolidated equity at 31 December 2022 of EUR -31 million. The parent company shows a loss for the period of EUR 11 million and a equity at 31 December 2022 of EUR -11 million.

The Company has lost the entire share capital. Management expect that the share capital will be re-established through a combination of future income from operations and an exit of the investment in EET Group.

Management's review

Consolidated non-current Interest-bearing loans and borrowings debt of EUR 577 million include a significant part of financing and accrued interests related to both EET Group Holding ApS' acquisition of EET A/S on 3 February 2022 and Mgt Holdco ApS' acquisition of EET Group Holdings ApS on 1 April 2022. Repayment of the non-current Interest-bearing loans and borrowings of Mgt Holdco ApS will only be possible as a part of a future sale of the shares of EET Group.,

Non-current Interest-bearing loans and borrowings have maturity date after 5 years and the main part of the interest will roll up during the loan period on the loan, hence no liquidity is needed for repayment of the loans or the related interest until the majority date.

Financial highlights for the Group

| EUR million | 2022 |
|------------------------------------------------------------------|-------|
| Key figures | |
| Revenue | 461 |
| Product profit | 84 |
| Gross profit/loss | 78 |
| Earnings before interest, depreciation and amortisation (EBITDA) | 34 |
| Ordinary operating profit/loss | 3 |
| Net financials | -35 |
| Net profit/loss for the year | -31 |
| Balance sheet total | |
| Equity | 743 |
| | -27 |
| Cash flows | |
| Cash flows from operating activities | 20 |
| Cash flows from investing activities | -4 |
| Cash flows from financing activities | 8 |
| Total cash flows | 24 |
| Financial ratios | |
| Gross margin | 16.9% |
| EBITDA ratio | 7.4% |
| Operating margin | 0.7% |
| Solvency ratio | -3.6% |
| Average number of full-time employees | 714 |

The financial ratios stated under "Financial highlights" have been calculated as follows:

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------|
| Gross margin | $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$ |
| EBITDA ratio | $\frac{\text{EBITDA} \times 100}{\text{Revenue}}$ |
| Operating margin | $\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$ |
| Solvency ratio | $\frac{\text{Equity at year-end including minorities} \times 100}{\text{Total equity and liabilities at year end}}$ |

Management's review

Capital structure and dividend

Mgt Holdco ApS' share capital is divided into 1.100.000 shares of a nominal value of DKK 1. The company's ultimate owners are the Executive Board.

The Executive Board proposes to the annual general meeting that no dividend should be declared in respect of the financial year 2022 and that the consolidated profit of EUR -31 million should be transferred to retained earnings.

At 31 December 2022, the Group's capital resources totalled EUR 83 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 Euro 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 whenever possible.

Interest rate risks

As at 31 December 2022, the Group had interest-bearing debt including leasing liabilities of EUR 599 million. The company's and Group's results will be affected by any change in interest rates.

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

Statutory report on corporate social responsibility, cf. Danish FSA §99a

Following statement constitutes the statutory statement on CSR for Mgt Holdco ApS and all its subsidiaries.

Business review

Mgt Holdco ApS is a holding company, which only purpose is to hold shares directly or indirectly in group enterprises. Mgt Holdco ApS' main investment is EET Group Holdings ApS, which in turn owns EET A/S through a set of investment entities.

EET is a distributor/wholesaler in the IT industry and distributes IT products, IT accessories and IT spare parts. 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 that services more than 30.000 buying B2B customers.

Human rights

Material risks: Our products might 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 the Group deals with many suppliers and customers across the globe.

Policy: We are dedicated to respecting labour and human rights, and we strive to prevent any kind of modern slavery related to our business and our supply chain, and we respect all internationally recognized human rights in our dealings with employees, workers in our supply chain, and anyone else connected to our business.

Actions in 2022: We extend ethical requirements to our suppliers in our "Supply Chain Code of Conduct" and enforce a binding framework to guide and support external parties to act in accordance with our values. In 2022, we added sustainability requirements to our sourcing process. Our suppliers are being asked to complete a self-assessment ESG questionnaire, where they are expected to demonstrate that they are in alignment with our sustainability standards and have required ESG processes and policies in place.

Results from 2022: In 2022, we have not reported any violations of human rights. Our 'Code of Conduct' are part of the contract signed with by new employees, and our 'Supply Chain Code of Conduct' is now also part of all supplier contracts entered.

Expectations for the future: 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.

Environmental and climate issues

Material risks: The production of electronic parts and devices may involve negative environmental impacts or poor labour conditions, both of which must be avoided.

Policy: The Group acknowledges that climate change is here, and we must cut our emissions in order to slow the pace of the environmental impact. We collaborate with our suppliers and distribution partners to minimize and constantly reduce our impact on the environment.

Actions and results in 2022: In our distribution centre in Denmark, we have taken several steps to reduce the environmental impact of our packaging, including:

- Replaced our PVC tape with paper tape
- Replaced plastic with paper envelopes
- For all packing we are now using recycled paper
- Implemented a new Flip pack machine to reduce the amount of paper
- Re-designed our small size boxes
- Re-designed our pallets to reduce the volume of wood

Expectations for the future: The Group will continue to provide CO2 neutral outbound deliveries for the majority of shipments across all markets. This will be done by investing in carbon offsetting projects that will compensate for our emissions. We will work with 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.

Social and employee conditions

Material risks: We consider accidents, incidents, injuries, and work-related illnesses as the most material risks regarding our employees' health and safety.

Policy: The health and safety of our employees is a key area for the Group, and we consider it a fundamental human right to be safe at work and remain healthy throughout the employment.

Actions and results in 2022: Safety observation tours are conducted monthly by members of warehouse management. All employees have been further trained in use of equipment and work processes.

Expectations for the future: We will continue to uphold high safety standards for our employees.

Anticorruption

Material risks: Our products might 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 the Group deals with many suppliers and customers across the globe.

Policy: We respect business ethics and the rule of law and find these to be a precondition for any fair business environment. We have processes and procedures in place to ensure risks are assessed and mitigated. Our "Code of Conduct" have a zero-tolerance policy on corruption and bribery in any form.

Actions in 2022: A new vendor evaluation system was implemented, covering all current Private Label vendors. In the evaluation scheme several aspects of the cooperation are taken into consideration, including but not limited to, Self-Assessment questionnaire (SAQ), Audits, Legal background checks, documented compliance, product risk evaluation, product quality/RMA rate, objective cooperation evaluation and ease of replacement.

Results from 2022: No incidents of bribery or other forms of corruption were identified during the year.

Expectations for the future: The vendor evaluation system implemented in 2022 will continue to be developed and updated. Primary focus in 2023 will be to ensure current and complete compliance documentation.

Statutory report of the gender distribution in management, cf. §99b

Mgt Holdco ApS is a holding company, which only purpose is to hold shares directly or indirectly in group enterprises. Mgt Holdco ApS' main investment is EET Group Holdings ApS. The Executive Board consist of the main shareholders in Mgt Holdco ApS.

The Executive board consists of two males.

Data ethics

EET Group has not implemented a Data Ethics policy for 2022. 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 Group does not involve any technologies that would give rise to ethical concerns.

Events after the balance sheet date

On 15 April 2023 EET Group acquired 100% of the shares in Tridis B.V., a distributor of Surveillance products. Tridis B.V. was founded in 1996, had 17 employees and a revenue of EUR 10 million in 2021. Tridis B.V. is located in Bruxelles.

On 23 May 2023, the Group signed an agreement to acquire 100% of the company Convena Distribution A/S. The initial accounting for the business combination is not yet completed, and the assessment of acquisition date fair values are still ongoing. Consequently, disclosures of the fair value of assets acquired and other disclosures required under IFRS 3, Business Combinations, cannot be provided. The acquired net assets are expected to relate primarily to goodwill and customer relationships.

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

Management's review

Outlook

Continued growth in the Group's results is expected for 2023, and the underlying Group will in 2023 continue to focus on expansion both through acquisitions and through strengthening of the product portfolio. Revenue for 2023 is expected to be in the range of EUR 670-700 million and operating profit before depreciation, amortisation and special items is expected to be in the range EUR 55-60 million. Consolidated net result is expected to be negative.

Consolidated financial statements and parent company financial statements for the period 30 March 2022 - 31 December 2022

Income statement

| Note | EUR million | Group | Parent |
|------|--------------------------------------------------------------|-------------------------------------|-------------------------------------|
| | | 2022 (30 March - 31 December) | 2022 (30 March - 31 December) |
| 3 | Revenue | 461 | 1 |
| | Cost of goods sold | -377 | 0 |
| | Product profit | 84 | 1 |
| 6 | Other external expenses | -6 | 0 |
| | Gross profit | 78 | 1 |
| 4 | Staff costs | -44 | -1 |
| | Operating profit before depreciation and amortisation | 34 | 0 |
| 5 | Depreciation | -6 | 0 |
| 5 | Amortisation and impairment losses | -25 | 0 |
| | Operating profit | 3 | 0 |
| 7 | Finance costs | -35 | -11 |
| | Profit before tax | -32 | -11 |
| 8 | Income tax expense | 1 | 0 |
| 9 | Profit/loss for the year | -31 | -11 |
| | Group result is divided as: | | |
| | Shareholders of Mgt Holdco ApS | -27 | |
| | Non-controlling interests | -4 | |
| | Profit/loss for the year | -31 | |

Consolidated financial statements and parent company financial statements

Balance sheet

| Note | EUR million | Group | Parent |
|------|--------------------------------------|-------------------------------------|-------------------------------------|
| | | 2022 (30 March - 31 December) | 2022 (30 March - 31 December) |
| | ASSETS | | |
| | Non-current assets | | |
| 10 | Intangible assets | | |
| | Goodwill | 237 | 0 |
| | Customer relationships | 291 | 0 |
| | Brand | 10 | 0 |
| | Order Backlog | 0 | 0 |
| | | <u>538</u> | <u>0</u> |
| | Property, plant and equipment | | |
| 11 | Property, plant and equipment | 7 | 0 |
| 12 | Right-of-use asset | 5 | 0 |
| | | <u>12</u> | <u>0</u> |
| | Other non-current assets | | |
| 13 | Equity investments in group entities | 0 | 260 |
| 19 | Deferred tax assets | 1 | 0 |
| 14 | Deposits | 1 | 0 |
| | | <u>2</u> | <u>260</u> |
| | Total non-current assets | <u>552</u> | <u>260</u> |
| | Inventories | | |
| | Inventories | 69 | 0 |
| | Receivables | | |
| | Trade receivables | 94 | 0 |
| | Receivables from group entities | 0 | 2 |
| | Income tax receivable | 1 | 0 |
| | Other receivables | 2 | 0 |
| 15 | Prepayment | 1 | 0 |
| | | <u>98</u> | <u>2</u> |
| | Cash | <u>24</u> | <u>0</u> |
| | Total current assets | <u>191</u> | <u>2</u> |
| | TOTAL ASSETS | <u>743</u> | <u>262</u> |

Consolidated financial statements and parent company financial statements

Statement of changes in equity

| | | Group | | | | | | |
|------|----------------------------------------|---------------|-----------------------|--------------------------------------|-------------------|------------|---------------------------|--------------|
| Note | EUR million | Share capital | Share premium account | Foreign currency translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| | Equity at 30 March 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Capital increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Acquisition of treasury shares | 0 | 0 | 0 | -1 | -1 | 0 | -1 |
| | Distribution of warrants | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Currency translation of foreign entity | 0 | 0 | 1 | 0 | 1 | 0 | 1 |
| 9 | Net profit/loss for the year | 0 | 0 | 0 | -27 | -27 | -4 | -31 |
| | Equity at 31 December 2022 | 0 | 0 | 1 | -28 | -27 | -4 | -31 |

| | | Parent | | | |
|------|-----------------------------------|---------------|-----------------------|-------------------|--------------|
| Note | EUR million | Share capital | Share premium account | Retained earnings | Total equity |
| | Equity at 30 March 2022 | 0 | 0 | 0 | 0 |
| | Capital increase | 0 | 0 | 0 | 0 |
| 9 | Net profit/loss for the year | 0 | 0 | -11 | -11 |
| | Equity at 31 December 2022 | 0 | 0 | -11 | -11 |

The Company has lost the entire share capital. Management expect that the share capital will be re-established through a combination of future income from operations and an exit of the investment in EET Group.

Consolidated financial statements and parent company financial statements

Cash flow statement

| | | Group |
|------|--------------------------------------------------------------------|-----------------------------|
| | | 2022 |
| | | (30 March - 31 December) |
| Note | EUR million | |
| | Profit/loss before net financials | 3 |
| | Depreciation, amortisation and impairment losses | 31 |
| | Other adjustments of non-cash operating items | -2 |
| 20 | Changes in working capital | 7 |
| | Cash flows from operating activities before financial items | 39 |
| | Financial income, received | 0 |
| | Financial expenses, paid | -11 |
| | Income taxes paid | -8 |
| | Cash flows from operating activities | 20 |
| 10 | Acquisition of intangible assets | 0 |
| 11 | Acquisition of property, plant and equipment | -2 |
| 23 | Business acquisitions | -2 |
| | Change in deposits | 0 |
| | Cash flows from investing activities | -4 |
| | Repayment of non-current liabilities | 0 |
| | Proceeds from incurring mortgage debt, etc. | 0 |
| | Changes in payables related to operating credits | 8 |
| | Capital increase | 0 |
| | Purchase of own shares | 0 |
| | Cash flows from financing activities | 8 |
| | Cash flows for the year | 24 |
| | Cash and cash equivalents, beginning of year | 0 |
| | Cash and cash equivalents, year end | 24 |

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements

Notes to the financial statements

1 Accounting policies

The annual report of Mgt Holdco ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities (large).

This is the first financial year.

Presentation currency

The financial statements are presented in Euro (EUR million).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Mgt Holdco ApS and group entities controlled by Mgt Holdco ApS.

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in participating interests are recognised in the consolidated financial statements using the equity method.

Business combinations and goodwill

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinuing operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquiree.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from the divestment of group entities that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested group entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates, participating interests or securities and equity investments.

Foreign currency translation

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

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

On translation of foreign group entities that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition. Consolidated financial statements and parent company financial statements

On the conclusion of sales contracts that consist of several separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue from the sale of goods

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020. Where goods sold are supplied on an ongoing basis and integrated with the purchaser's property, the income is recognised in revenue as the goods are supplied, meaning that revenue corresponds to the selling price of work performed during the year.

Cost of goods sold

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

Other operating income and expenses

Other operating income and expenses comprises items secondary to the Group's activities, including gains and losses on disposal of property, plant and equipment.

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, 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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Share-based payments

Certain employees in the Group have acquired warrants at fair-market value. The warrants are recognised as an equity-settled program, but with no cost in the income statements as full fair-market value for the warrants are paid. If the employee leaves the Group before vesting, 2/3 of the paid amount for the warrant will be repaid and has been included as provisions. The remain 1/3 has been recognised directly on equity.

Other operating income and expenses

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. The items 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.

Tax for the year

MGT Holdco ApS is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

MGT Holdco ApS acts as the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities on behalf of the company.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

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 and accumulated impairment losses, if any.

Amortisation is made over the estimated economic life without the determination of a residual value, however not exceeding 20 years.

In case of changes in the amortisation period, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Amortisation is recognised in the income statement as depreciation and amortisation.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Customer relationship, brands and order backlog

Customer relationship, order backlog and brands are measured at cost less accumulated amortisation and impairment losses. Customer relationship, order backlog and brands are amortised on a straight-line basis over expected repayment horizon.

Amortisation periods are as follows:

| | |
|-----------------------|----------|
| Customer relationship | 20 years |
| Order backlog | 6 months |
| Brands | 15 years |

Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less any expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets and any residual value. The expected useful lives are as follows:

| | |
|-------------------------------|------------|
| Property, plant and equipment | 3-10 years |
|-------------------------------|------------|

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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.

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.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

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.

Equity investments in group entities in the parent company financial statements

Equity investments in group entities are measured at cost in the parent company. Cost includes the consideration measured at fair value plus direct acquisition costs. Where cost exceeds the recoverable amount, write-down is made to this lower value. An impairment test is prepared if the dividends received exceed the proportionate share of the profit/loss for the year or if the carrying amount of the equity investments exceeds the proportionate share of the net assets in the underlying entity.

Impairment of non-current assets

The carrying amount of intangible assets, property and plant and equipment investments are tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

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

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Equity

Proposed dividend

Proposed dividend 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 year is presented as a separate line item in equity.

Foreign currency translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than EUR, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates and participating interests in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Provisions

Provisions comprise anticipated costs related to warranty, provision related to warrants and earn-outs. Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Company's resources embodying economic benefits will be required to settle the obligation. Provisions are recognised on the basis of best estimates.

Warranty commitments include expenses expected for the repair or replacement of goods sold the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature after more than one year after the balance sheet date are discounted at average bond yields.

In connection with corporate acquisitions, provisions for restructuring of the acquired entity are included in the calculation of the acquisition cost and, accordingly, in goodwill or in goodwill on consolidation provided that they have been adopted and published no later than at the acquisition date.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences - apart from acquisitions - arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

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

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Prepayments

Deferred income comprises payments received concerning income in subsequent years.

Fair value

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.

Cash flow statement

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

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 date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

2 Capital loss and liquidity

The Company has lost the entire share capital. Management expect that the share capital will be re-established through a combination of future income from operations and an exit of the investment in EET Group.

The majority of the Groups external financing expire in 2028 or later and main part of interests from the external financing will roll-up on the loans until the expire date. Consequently, it is Management's assessment that the Company and the Group has the ability to raise the necessary liquidity from the operating activities and credit facilities to ensure going concern. At 31 December 2022, the Group has cash and unused credit facilities of EUR 83 million.

Consolidated financial statements and parent company financial statements

Notes

| | Group | Parent |
|----------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| | 2022 (30 March - 31 December) | 2022 (30 March - 31 December) |
| EUR million | | |
| 3 Revenue | | |
| Pro AV & Digital Signage | 90 | 0 |
| Server, computer and printer parts | 117 | 0 |
| Surveillance and security | 117 | 0 |
| Network | 48 | 0 |
| POS & Auto-ID | 40 | 0 |
| Consumer Electronics | 43 | 0 |
| Mobile parts and accessories | 5 | 0 |
| Other | 1 | 0 |
| Management fee | 0 | 1 |
| | <u>461</u> | <u>1</u> |
| At 31 December 2022, the value of products expected to be returned is considered insignificant. | | |
| EUR million | | |
| 4 Staff costs | | |
| Wages and salaries | 39 | 1 |
| Pensions | 0 | 0 |
| Other social security costs | 5 | 0 |
| | <u>44</u> | <u>1</u> |
| Fees to Executive Board amounts to EUR 0.6 million of which pensions amounts to EUR 0.0 million in 2022. | | |
| Average number of full-time employees | <u>714</u> | <u>2</u> |
| 5 Amortisation, depreciation, and impairment losses | | |
| Amortisation of intangible assets | 25 | 0 |
| Depreciation of property, plant and equipment | 2 | 0 |
| Depreciation right of use assets | 4 | 0 |
| | <u>31</u> | <u>0</u> |
| 6 Fees paid to auditor appointed at the annual general meeting | | |
| Total fees to EY | EUR million | EUR'000 |
| Statutory audit | 0.2 | 6.7 |
| Tax consultancy | 0.0 | 1.1 |
| Other assurance services | 0.0 | 0.0 |
| Non-audit services | 0.1 | 5.4 |
| | <u>0.3</u> | <u>13.2</u> |

Consolidated financial statements and parent company financial statements

Notes

| EUR million | Group | | Parent | | |
|--------------------------------------------------------|-------------------------------------|--------------|-------------------------------------|----------------------|--------------|
| | 2022 (30 March - 31 December) | | 2022 (30 March - 31 December) | | |
| 7 Financial expenses | | | | | |
| Interest expenses etc. | | 34 | | 11 | |
| Exchange loss, net | | 1 | | 0 | |
| | | <u>35</u> | | <u>11</u> | |
| 8 Tax for the year | | | | | |
| Current tax for the year | | -4 | | 0 | |
| Deferred tax adjustment for the year | | 5 | | 0 | |
| Adjustment prior year tax | | 0 | | 0 | |
| | | <u>1</u> | | <u>0</u> | |
| 9 Distribution of profit | | | | | |
| Retained earnings | | <u>-31</u> | | <u>-11</u> | |
| 10 Intangible assets | | | | | |
| | Group | | | | |
| EUR million | Goodwill | Brand | Customer relationships | Order backlog | Total |
| Cost at 30 March 2022 | 0 | 0 | 0 | 0 | 0 |
| Additions from business combinations | 246 | 11 | 303 | 3 | 563 |
| Cost at 31 December 2022 | <u>246</u> | <u>11</u> | <u>303</u> | <u>3</u> | <u>563</u> |
| Impairment losses and amortisation at 30 March | 0 | 0 | 0 | 0 | 0 |
| Amortisation for the year | 9 | 1 | 12 | 3 | 25 |
| Reversal of amortisation of disposals for the year | 0 | 0 | 0 | 0 | 0 |
| Amortisation and impairment losses at 31 December 2022 | <u>9</u> | <u>1</u> | <u>12</u> | <u>3</u> | <u>25</u> |
| Carrying amount at 31 December 2022 | <u>237</u> | <u>10</u> | <u>291</u> | <u>0</u> | <u>538</u> |

Consolidated financial statements and parent company financial statements

Notes

11 Property, plant and equipment

| EUR million | Group | |
|---------------------------------------------------------------|-------------------------------|----------|
| | Property, plant and equipment | Total |
| Cost at 30 March 2022 | 0 | 0 |
| Additions from business combinations | 8 | 8 |
| Additions for the year | 2 | 2 |
| Disposals for the year | -1 | -1 |
| Cost at 31 December 2022 | 9 | 9 |
| Depreciation and impairment losses at 30 March 2022 | 0 | 0 |
| Depreciation for the year | 2 | 2 |
| Depreciation and impairment losses at 31 December 2022 | 2 | 2 |
| Carrying amount at 31 December 2022 | 7 | 7 |

12 Right-of-use assets

| EUR million | Group | |
|---------------------------------------------------------------|---------------------|----------|
| | Right-of-use assets | Total |
| Cost at 30 March 2022 | 0 | 0 |
| Additions from business combinations | 7 | 7 |
| Additions for the year | 1 | 1 |
| Disposals for the year | 0 | 0 |
| Cost at 31 December 2022 | 8 | 8 |
| Depreciation and impairment losses at 30 March 2022 | 0 | 0 |
| Depreciation for the year | 4 | 4 |
| Disposals | -1 | -1 |
| Depreciation and impairment losses at 31 December 2022 | 3 | 3 |
| Carrying amount at 31 December 2022 | 5 | 5 |

13 Equity investments in group entities

| EUR million | Parent |
|---------------------------------------|------------|
| | 2022 |
| Cost at 30 March | 260 |
| Additions for the year | 0 |
| Carrying amount at 31 December | 260 |

| Name and registered office | Voting rights and ownership | Profit/loss EUR million | Equity EUR million |
|----------------------------|-----------------------------|-------------------------|--------------------|
| EET Group Holdings ApS | 97% / 82% | -12 | 252 |

All group entities are independent entities.

| EUR million | Group | Parent |
|-------------|-------|--------|
| | 2022 | 2022 |
| 14 Deposits | 1 | 0 |
| Deposits | 1 | 0 |

Consolidated financial statements and parent company financial statements

Notes

15 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

16 Share capital

| | Share Capital DKK'000 | Share Capital EUR million |
|------------------------------------------|--------------------------|------------------------------|
| Share capital at 30 March 2022 | 0 | 0.0 |
| Capital increase, 30 March 2022 | 1,100 | 0.1 |
| Share capital at 31 December 2022 | 1,100 | 0.1 |

The share capital comprises:

1,100,000 class A shares of DKK 1 each. Every class A share carries 1 voting right.

| | Group | Parent |
|----------------------------------------------|------------|------------|
| EUR million | 2022 | 2022 |
| 17 Long-term debt | | |
| Interest-bearing loans and borrowings | | |
| After 5 years | 577 | 272 |
| Between 1 and 5 years | 0 | 0 |
| Within 1 year | 16 | 0 |
| | <u>593</u> | <u>272</u> |
| Lease liabilities | | |
| After 5 years | 0 | 0 |
| Between 1 and 5 years | 2 | 0 |
| Within 1 year | 4 | 0 |
| | <u>6</u> | <u>0</u> |
| Other payables | | |
| Between 1 and 5 years | 2 | 0 |
| Within 1 year | 32 | 0 |
| | <u>34</u> | <u>0</u> |

18 Provision

| | | |
|--------------------------------------|----------|----------|
| At 30 March | 0 | 0 |
| Additions from business combinations | 7 | 0 |
| Arising during the year | 3 | 0 |
| Utilised | -3 | 0 |
| Unused amounts reversed | 0 | 0 |
| At 31 December 2022 | 7 | 0 |

Provisions consists of a warranty provision related to any form of warranties on goods sold of EUR 0.4 million, earn-out of EUR 4.7 million, warrants of EUR 0.8 million and pension obligation of EUR 0.9 million.

Consolidated financial statements and parent company financial statements

Notes

| EUR million | Group | Parent |
|-------------------------------------------------------------|------------|----------|
| | 2022 | 2022 |
| 19 Deferred tax | | |
| Deferred tax at 30 March | 0 | 0 |
| Additions through business combinations | -70 | 0 |
| Deferred tax adjustment for the year | 5 | 0 |
| Deferred tax assets at 31 December | -65 | 0 |
| Intangible assets | -65 | 0 |
| Property, plant and equipment | 0 | 0 |
| Inventories, etc. | 1 | 0 |
| Receivables, etc. | 0 | 0 |
| Other items | -1 | 0 |
| Deferred tax assets at 31 December | -65 | 0 |
| Deferred tax is recognised in the balance sheet as follows: | | |
| Deferred tax assets | 1 | 0 |
| Deferred tax liabilities | -66 | 0 |
| | -65 | 0 |

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised as the Company estimates that the tax assets can be utilised within a foreseeable future by offsetting against future positive taxable income.

| EUR million | Group |
|--------------------------------------|----------|
| | 2022 |
| 20 Changes in working capital | |
| Changes in inventories | 2 |
| Changes in receivables | 6 |
| Changes in trade payables, etc. | -1 |
| | 7 |

21 Contractual obligations, contingencies, pledges, etc.

The Group is party to ongoing transfer pricing audits. In Management's opinion, apart from the receivables and payables recognised in the statement of financial position, the outcome of these transfer pricing audits are 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.

Consolidated financial statements and parent company financial statements

Notes

22 Related parties

MGT Holdco ApS' related parties comprise the following

Control

2Mota ApS, Bramsvej 1, 2920 Charlottenlund. 2Mota ApS holds 50% of the share capital in MGT Holdco ApS.

SJA Invest ApS, Birkebakken 76, 3460 Birkerød. SJA Invest ApS holds 50% of the share capital in MGT Holdco ApS.

| Group Name | Principal activities | Country of incorporation | % equity interest 2022 |
|-----------------------------------------|----------------------|--------------------------|------------------------|
| EET Group Holdings ApS | Subholding | Denmark | 82% |
| EET Holdco I ApS | Subholding | Denmark | 100% |
| EET Holdco II ApS | Subholding | Denmark | 100% |
| EET Investco ApS | Subholding | Denmark | 100% |
| EET A/S | Sales Company | Denmark | 100% |
| EET Holdings A/S | Subholding | Denmark | 100% |
| EET Group A/S | Group Activities | Denmark | 100% |
| EET Austria GmbH | Sales Company | Austria | 100% |
| EET Czech spol. S.r.o | Sales Company | Czech Republic | 100% |
| EET Denmark | Sales Company | Denmark | 100% |
| EET Finland OY | Sales Company | Finland | 100% |
| EET France SAS | Sales Company | France | 100% |
| EET Germany GmbH | Sales Company | Germany | 100% |
| EET International A/S | Sales Company | Denmark | 100% |
| EET Ireland Ltd. | Sales Company | Ireland | 100% |
| EET Italy S.R.L | Sales Company | Italy | 100% |
| EET Netherlands B.V. | Sales Company | Holland | 100% |
| EET Norway AS | Sales Company | Norway | 100% |
| EET Norway HoldCo | Subholding | Norway | 100% |
| EET Poland Sp. Z.o.o | Sales Company | Poland | 100% |
| EET Sweden AB | Sales Company | Sweden | 100% |
| EET Sweden HoldCo | Subholding | Norway | 100% |
| EET Switzerland GmbH | Sales Company | Switzerland | 100% |
| EET UK Ltd | Sales Company | United Kingdom | 100% |
| Intelligent Distribution SA (EET Spain) | Sales Company | Spain | 100% |
| Oprema Ltd. | Sales Company | United Kingdom | 100% |
| Red Fern Road ApS | Sales Company | Denmark | 100% |
| Sandberg A/S | Sales Company | Denmark | 100% |
| Lothar Finance Egypt | Subholding | Egypt | 80% |

The entity holds the majority of the share capital in all companies.

Related party transactions

The consolidated financial statements include the below related party transactions:

| EUR million | 2022 |
|---------------------------------------------|------|
| Capital injection (including share premium) | 0 |
| Purchase back of own shares | 0 |
| Parent | |
| Management fee | 1 |
| Receivables from group entities | 2 |
| Interest income from group entities | 0 |

Remuneration of the Company's Executive Directors is disclosed in note 3.

Apart from the above listed transactions, no other transactions were carried out with the current shareholder during the year.

Consolidated financial statements and parent company financial statements

Notes

23 Acquisition of group entities

Acquisitions in 2022

Acquired businesses are recognized in the consolidated financial statements from the time of the acquisition. A purchase price allocation has been conducted by fair value assessment of identifiable assets and liabilities at the acquisition date in the opening balance sheet. The following valuation techniques have been applied in the fair value assessment of significant net assets acquired:

- Property, plant and equipment - have been assessed for fair value by applying the replacement cost approach.
- Customer relationship, Brand and Order backlog - has been assessed using a multi-period excess earnings model and allowed margin approach.

The acquisitions made in 2022 as described below have impacted revenue with EUR 622 million and EBITDA with EUR 48 million on the Group.

Acquisition of EET Group Holdings ApS

On March 30, 2022, Mgt holdings ApS acquired 82% of the shares in EET Group Holdings ApS, a non-listed company based in Denmark and specializing in distribution of IT products within the business areas Spareparts, Pro AV, Surveillance & Security, POS, Consumer Electronic and Network, in a cash contribution for the Company's shares.

Mgt holdings ApS acquired EET Group Holdings ApS to enlarge the range of products that can be offered to its clients. Mgt holdings ApS measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favorable terms of the lease relative to market terms.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of EUR 247 million comprises the value of the current workforce and know-how and the expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as EET is considered one cash-generating unit.

None of the goodwill recognized is expected to be deductible for income tax purposes.

Acquisition of Olprint sp, z.o.o.

On September 30, 2022, the Group acquired 100% of the shares in Olprint sp, z.o.o., a non-listed company based in Poland and specializing in distribution of IT spare parts and accessories, in a cash contribution for the Company's shares.

EET acquired Olprint sp, z.o.o. to enlarge the range of products that can be offered to its clients. EET measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of EUR 0 million comprises the value of the current workforce and know-how and the expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as EET is considered one cash-generating unit.

None of the goodwill recognized is expected to be deductible for income tax purposes.

Consolidated financial statements and parent company financial statements

Notes

23 Acquisition of group entities (continued)

Acquisition of Config S.A.

On December 8, 2022, the Group acquired 100% of the shares in Config S.A., a non-listed company based in France and specializing in distribution of network products, in a cash contribution for the Company's shares. EET acquired Config S.A. to enlarge the range of products that can be offered to its clients. EET measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.

The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favorable terms of the lease relative to market terms.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of EUR 2 million comprises the value of the current workforce and know-how and the expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as EET is considered one cash-generating unit.

None of the goodwill recognized is expected to be deductible for income tax purposes.

The total acquisitions costs amount to EUR 0.9 million. All costs have been recognized as other external costs.

Acquisitions subsequent to 31 December 2022

- On 15 April 2023 EET Group acquired 100% of the shares in Tridis B.V., a distributor of Surveillance products. Tridis B.V. was founded in 1996, had 17 employees and a revenue of EUR 10 million in 2021. Tridis B.V. is located in Bruxelles.
- On 23 May 2023, the Group signed an agreement to acquire 100% of the company Convena Distribution A/S. The initial accounting for the business combination is not yet completed, and the assessment of acquisition date fair values are still ongoing. Consequently, disclosures of the fair value of assets acquired and other disclosures required under IFRS 3, Business Combinations, cannot be provided. The acquired net assets are expected to relate primarily to goodwill and customer relationships.

24 Events after the balance sheet date

On 15 April 2023 EET Group acquired 100% of the shares in Tridis B.V., a distributor of Surveillance products. Tridis B.V. was founded in 1996, had 17 employees and a revenue of EUR 10 million in 2021. Tridis B.V. is located in Bruxelles.

On 23 May 2023, the Group signed an agreement to acquire 100% of the company Convena Distribution A/S. The initial accounting for the business combination is not yet completed, and the assessment of acquisition date fair values are still ongoing. Consequently, disclosures of the fair value of assets acquired and other disclosures required under IFRS 3, Business Combinations, cannot be provided. The acquired net assets are expected to relate primarily to goodwill and customer relationships.

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

Jan Holmetoft Iversen

CFO

On behalf of: MGT Holdco ApS

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IP: 5.186.xxx.xxx

2023-06-26 14:56:43 UTC



Jan Holmetoft Iversen

Chair of the meeting

On behalf of: MGT Holdco ApS

Serial number: a7e6c8e6-e124-4434-89fd-cc4021fbbe74

IP: 5.186.xxx.xxx

2023-06-26 14:56:43 UTC



Søren Drewsen

CEO

On behalf of: MGT Holdco ApS

Serial number: 77c96bff-e246-4daf-a947-7341cccb097

IP: 80.62.xxx.xxx

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Ole Becker

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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