Danoffice IT ApS

Englandsvej 14, DK-5700 Svendborg

Annual Report for 1 January - 31 December 2021

CVR No 21 37 07 38

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24/2 2022

Kevin Kristoffer Ehnhuus Iermiin
Chairman of the General Meeting

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Management’s Statement

The Executive Board has today considered and adopted the Annual Report of Danoffice IT ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Svendborg, 24 February 2022

Executive Board

Lars Baun Jensen CEO	Allan Malmos Jeppesen CFO

Independent Auditor's Report

To the Shareholder of Danoffice IT ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Danoffice IT ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the 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 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.

As part of an audit conducted in accordance with ISAs and the 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 Company's and the Group'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 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 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.

- 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.

Odense, 24 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Line Hedam State Authorised Public Accountant mne27768	Claus Damhave State Authorised Public Accountant mne34166

Company Information

The Company	Danoffice IT ApS Englandsvej 14 DK-5700 Svendborg CVR No: 21 37 07 38 Financial period: 1 January - 31 December Municipality of reg. office: Svendborg
Executive Board	Lars Baun Jensen Allan Malmos Jeppesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,000,239	1,119,754	1,044,438	650,554	600,428
Operating profit/loss	78,771	34,156	48,697	35,558	40,529
Profit/loss before financial income and expenses	78,771	34,232	48,697	35,558	40,496
Net financials	1,128	-12,960	723	3,885	-11,658
Net profit/loss for the year	56,477	14,907	38,630	29,733	21,812
Balance sheet					
Balance sheet total	842,625	394,774	421,120	264,663	248,355
Equity	266,898	148,362	133,940	96,500	68,231
Cash flows					
Cash flows from:					
- operating activities	60,287	52,966	32,667	120,354	4,691
- investing activities	-154,508	-2,134	-68,876	-917	-1,356
including investment in property, plant and equipment	-13,067	-467	-436	-448	-1,020
- financing activities	88,679	-7,058	-37,274	-16,539	22,862
Change in cash and cash equivalents for the year	-5,542	43,774	-73,483	102,898	26,197
Number of employees	187	127	117	61	59
Ratios					
Gross margin	12.0%	11.3%	11.5%	10.8%	12.5%
Profit margin	3.9%	3.1%	4.7%	5.5%	6.7%
Return on assets	9.3%	8.7%	11.6%	13.4%	16.3%
Solvency ratio	31.7%	37.6%	31.8%	36.5%	27.5%
Return on equity	27.2%	10.6%	33.5%	36.1%	32.1%

See the description under accounting policies.

Management's Review

Key activities

The Group's principal activities comprise of providing IT infrastructure and other high-technology solutions to international institutions and international B2B customers both local and international.

Development in activities and financial matters

Danoffice IT Groups revenue increased by 78% to DKK 2,000 million in 2021 (2020: DKK 1,120 million).

The positive development in 2021 derived from a combination of organic growth within the Group's established markets and offerings of DKK 505 million and DKK 375 million from the newly acquired Edgemo A/S (acquired 30 June 2021) and Npvision Group A/S (acquired 1 January 2021).

With Npvision Group and Edgemo joining the group in 2021 major steps has been taken in further strengthening Danoffice IT's offerings on strategically important areas as circular economy IT solution, technical IT expertise and services offerings to the market.

Danoffice IT Group realized a profit of TDKK 56,477 in 2021 (2020: TDKK 14,907), which was above the initial management expectations for the year.

Adjusted for non-recurring costs according to group policy, the 2021 EBITDA is DKK 108.8 million. (2020: DKK 52.4 million).

At 31 December 2021 the equity amounts to TDKK 266,898 compared to an equity of TDKK 148,362 at 31 December 2020.

Outlook

The company expects a positive development in 2022 and a net profit for the year in the range of DKK 55 - 65 million.

Currency risks

A major part of the Group's sales are invoiced in USD. The goods sold in USD are, however, also purchased in USD resulting in a natural hedge to some extent. The Group does currently not hedge the resulting net exposure arising from the sales being higher than the purchases and the different payment terms for sales and purchases in USD.

Trade receivables

The Group is exposed to credit risk from the sale of goods. The majority of the Group's trade receivables are UN organizations, NGO's and large corporate organizations. UN is funded by national states and the credit risk is therefore considered very limited. The remaining trade receivable arise from sale to various corporates and IGO's.

Management's Review

Research and development

The Group does not have any research and development activities.

Statutory statement in accordance with section 99 a of the Danish Financial Statements Act

Business model

The Group's principal activities comprise of providing IT infrastructure consultancy, service, and other high technology solutions to international institutions and B2B customers both local and international.

We work with leading global businesses, organizations, government departments and NGO's from our global presence. We have forged close relationships with our suppliers and manufacturers, and we deal with the major brands in IT hardware, software, and solutions. It means we can deliver a prompt, reliable and competitive service to our customers - wherever they are in the world.

Risk assessment

Danoffice IT complies with all relevant legislation in the markets where we are present. As signatories to the UN Global Compact, we take our responsibility towards the surrounding society seriously and maintain policies and efforts to minimize our negative impact and amplify our positive.

Our employees are our most important resource and being able to attract and maintain the right employees is of key importance.

When we assess climate change and environmental issues, the most material risks are the risks related to product shortages in the supply chain due to lack of mineral resources as well as our impact on the climate through energy consumption from our operations.

While there are risks related to human rights when it comes to working conditions in the supply chain, e.g. sourcing of minerals, we have limited impact on those risks due to size etc. Our main focus for human rights is therefore ensuring a diverse workplace free from harassment.

At Danoffice IT we consider corruption as a substantial obstacle to economic and social development around the world. It has negative impacts on sustainable development and predominantly sustains poverty.

For further information on Danoffice CSR/ESG related subjects please visit www.danofficeit.com/about/csr/ where you also find the latest Global Compact COP report.

Regarding climate change and environmental issues

We strive to minimize our negative impact on the environment and on climate change.

Since 2009 Danoffice IT has executed on our "Protect Mother Earth" recycling program. In partnership with our United Nations clients and our vendors, we collect used toners and cartridges from the UN missions all over the world and recycle them in Europe.

Internally, we have in 2021continued to minimize our consumption of energy and resources through setting requirements for equipment and suppliers. As an example of the initiatives to reduce our carbon front is the CO2 neutral workspace program, where Danoffice IT neutralizes the carbon footprint of all internal workspace PCs and monitors via an UNFCCC program.

We plan to continue the work on improving and reducing our consumption of energy and resources in general in 2022.

Regarding human rights

At Danoffice IT we believe that all human beings are born free and equal in dignity and rights. We respect all people regardless of nationality, race, religion, class or political opinions. Danoffice IT promote social interaction between people and cultures and aim at a mix organizational culture.

We embrace culture and have employees of more than 10 different nationalities, coming from South America, USA, Europe, and Middle East. Our organization mix is balanced with 28% women & 72% men and we span over various religions.

In 2021, we continued buying coffee beans through the NGO NGUVU who buys directly from local female farmers cutting all the middlemen giving the women higher yield. The women agree on a contract where the NGO secures education of their children and other necessities. This way we can support the women and their children with food, clean water, medical treatment, and education.

We plan to continue the work and focus on Human rights in 2022.

Regarding social and employee conditions

Danoffice IT has a work life balance policy encouraging flexible working hours and tolerance for personal and family issues and or needs.

Our staff is our most important resource wherefore we strive at keeping our staff mentally and physically fit. To support an active and healthy lifestyle, Danoffice encourage in 2021 employees to participate in Run for a Purpose as well as supporting local sports clubs in Denmark where employees can nominate relevant local projects/ clubs. In 2021, the TechGirls program via Peace Inoovation foundation and the Danish nature fund received the Run for purpose donation from Danoffice IT.

As part of ensuring the best possible working conditions for our employees, individual employee interviews, workplace assessment and employee surveys are carried out on a regularly basis.

Efforts on social and employee conditions will continue in 2022.

Management's Review

Regarding anti-corruption

Danoffice IT position on corruption is not take part, or to accept, any form of fraud or corruption.

The Company defines bribery as an act on offering or receiving money, goods or other forms of recompense from a business associate in exchange for an alteration of their behavior to the benefit or interest of the giver that the recipient would otherwise not alter.

The Company is determined to prevent, detect and deter any form thereof. This has been our position since our foundation in 1995 and we are proud to say that our Company has never been involved, accused, or convicted of any form of fraud or corruption, neither in 2021. To ensure constant focus on preventing any form of fraud and corruption ISO 37001 (Anti-bribery management system) is implemented and certified by Bureau Veritas.

The Company whistleblower program has been in place for several years.

We plan to continue with the current efforts including ensuring a constant focus in the organization on preventing corruption.

Goal and policies regarding gender quotation in accordance with section 99 b of the Danish Financial Statements Act

The Group has no Board of Directors, and the Executive Board consists of 2 members. The two members of the Executive Board are both males.

It is our policy, that the underrepresented gender should represent 50% of the Group's total members of the Executive Board and Day to day business management.

To balance the gender, the Group strive at having minimum one of each gender represented among the last three candidates in the hiring process.

According to the latest guidance from the Danish Business Authority, we consider that we have achieved equal distribution in top management, as our Executive Board consists of two persons only. In the day-to-day Management of the Group, 25% are female and 75% are male which is the same level as in 2020. The group expects to increase the level of female representation in the management of the day-to-day business to 35% by the end of 2023.

Statutory statement in accordance with section 99 d of the Danish Financial Statements Act

We comply with legal requirements and acknowledge and respect that our use of data (both personal data and non-personal data) may create risks for the users that applicable laws do not cover. We manage these risks by adhering to the principles described in our Data Ethics Policy which can be found here: www.danofficeit.com.

We have standards in relation to where we collect data and how we use the data:

- We refrain from extensive collection of data which may be characterised as data-driven surveillance.
- We set standards on ourselves in collecting data from our assets and other sources

We will develop additional policies and procedures to ensure that we comply with the above-mentioned principles.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 have not been affected by any unusual events.

Income Statement 1 January - 31 December

	Note	Group 2021	Group 2020	Parent 2021	Parent 2020
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**2,000,239**	**1,119,754**	**1,536,090**	**1,020,726**
Other operating income		0	76	0	76
Expenses for raw materials and consumables		-1,716,412	-958,774	-1,343,426	-867,437
Other external expenses		-43,693	-34,501	-37,119	-35,626
Gross profit/loss		**240,134**	**126,555**	**155,545**	**117,739**
Staff expenses	2	-140,521	-80,562	-86,430	-75,093
EBITDA		**99,613**	**45,993**	**69,115**	**42,646**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-20,842	-11,761	-11,125	-11,722
Profit/loss before financial income and expenses		**78,771**	**34,232**	**57,990**	**30,924**
Income from investments in subsidiaries		0	0	10,822	-289
Financial income	3	9,406	8	9,978	2,500
Financial expenses	4	-8,278	-12,968	-7,288	-12,135
Profit/loss before tax		**79,899**	**21,272**	**71,502**	**21,000**
Tax on profit/loss for the year	5	-23,422	-6,365	-15,025	-6,093
Net profit/loss for the year		**56,477**	**14,907**	**56,477**	**14,907**

Balance Sheet 31 December

Assets

		Group		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Software		2,421	4,053	1,418	4,053
Customer relations		94,949	34,976	32,370	34,976
Goodwill		105,804	44,056	38,821	44,056
Intangible assets	6	**203,174**	**83,085**	**72,609**	**83,085**
Land and buildings		12,061	0	12,061	0
Other fixtures and fittings, tools and equipment		3,515	1,269	1,652	1,150
Leasehold improvements		314	0	0	0
Property, plant and equipment	7	**15,890**	**1,269**	**13,713**	**1,150**
Investments in subsidiaries	8	0	0	164,283	4,256
Deposits	9	2,141	1,668	1,555	1,668
Fixed asset investments		**2,141**	**1,668**	**165,838**	**5,924**
Fixed assets		**221,205**	**86,022**	**252,160**	**90,159**
Inventories	10	**226,132**	**80,250**	**155,676**	**70,475**
Trade receivables		288,733	139,904	150,384	125,872
Receivables from group enterprises		0	0	16,814	14,745
Other receivables		14,956	10,697	14,330	10,536
Prepayments	11	538	492	177	492
Receivables		**304,227**	**151,093**	**181,705**	**151,645**
Cash at bank and in hand		**91,061**	**77,409**	**69,188**	**71,922**
Currents assets		**621,420**	**308,752**	**406,569**	**294,042**
Assets		**842,625**	**394,774**	**658,729**	**384,201**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Share capital		250	250	250	250
Foreign currency translation reserve		-31	-485	-31	-485
Retained earnings		266,679	148,597	266,679	148,597
Equity		**266,898**	**148,362**	**266,898**	**148,362**
Provision for deferred tax	13	22,152	8,649	8,143	8,649
Provisions		**22,152**	**8,649**	**8,143**	**8,649**
Payables to group enterprises		37,726	10,775	37,726	10,775
Other payables		15,171	7,370	7,353	7,370
Long-term debt	14	**52,897**	**18,145**	**45,079**	**18,145**
Prepayments received from customers		5,872	0	0	0
Trade payables		423,356	198,983	293,961	188,385
Payables to group enterprises	14	3,343	1,523	3,343	1,523
Corporation tax		4,076	0	0	0
Payables to group enterprises relating to corporation tax		23,998	6,027	15,532	6,027
Other payables	14	39,106	12,874	24,846	12,899
Deferred income		927	211	927	211
Short-term debt		**500,678**	**219,618**	**338,609**	**209,045**
Debt		**553,575**	**237,763**	**383,688**	**227,190**
Liabilities and equity		**842,625**	**394,774**	**658,729**	**384,201**

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Statement of Changes in Equity

Group

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	250	-485	148,599	148,364
Exchange adjustments	0	454	0	454
Contribution from group	0	0	61,603	61,603
Net profit/loss for the year	0	0	56,477	56,477
Equity at 31 December	**250**	**-31**	**266,679**	**266,898**

Parent

	Share capital	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January	250	-485	148,599	148,364
Exchange adjustments	0	454	0	454
Contribution from group	0	0	61,603	61,603
Net profit/loss for the year	0	0	56,477	56,477
Equity at 31 December	**250**	**-31**	**266,679**	**266,898**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021	Group 2020
		TDKK	TDKK
Net profit/loss for the year		56,477	14,907
Adjustments	15	43,136	31,008
Change in working capital	16	-27,527	32,566
Cash flows from operating activities before financial income and expenses		**72,086**	**78,481**
Financial income		8,970	8
Financial expenses		-8,279	-12,968
Cash flows from ordinary activities		**72,777**	**65,521**
Corporation tax paid		-12,490	-12,555
Cash flows from operating activities		**60,287**	**52,966**
Purchase of intangible assets		-326	-1,813
Purchase of property, plant and equipment		-13,067	-467
Fixed asset investments made etc		-845	0
Sale of property, plant and equipment		0	146
Sale of fixed asset investments etc		1,102	0
Business acquisition		-141,372	0
Cash flows from investing activities		**-154,508**	**-2,134**
Repayment of loans from credit institutions		-1,696	0
Repayment of payables to group enterprises		0	-7,058
Raising of loans from group enterprises		28,772	0
Group contribution		61,603	0
Cash flows from financing activities		**88,679**	**-7,058**
Change in cash and cash equivalents		**-5,542**	**43,774**
Cash and cash equivalents at acquisition		19,194	0
Cash and cash equivalents at 1 January		77,409	33,635
Cash and cash equivalents at 31 December		**91,061**	**77,409**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		91,061	77,409
Cash and cash equivalents at 31 December		**91,061**	**77,409**

Notes to the Financial Statements

		Group		Parent	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Geographical segments				
	Asia Pacific	65,945	55,102	56,337	48,669
	Europe, Middle East and Africa	1,446,460	914,738	1,060,202	914,638
	North and South America	487,834	149,914	419,551	57,419
		2,000,239	**1,119,754**	**1,536,090**	**1,020,726**

		Group 2021	Group 2020	Parent 2021	Parent 2020
2	**Staff expenses**				
	Wages and salaries	122,902	72,756	77,649	68,181
	Pensions	9,043	3,549	3,985	3,522
	Other social security expenses	1,546	948	792	702
	Other staff expenses	7,030	3,309	4,004	2,688
		140,521	**80,562**	**86,430**	**75,093**
	Including remuneration of:				
	Executive Board	5,413	4,979	5,413	4,979
		5,413	**4,979**	**5,413**	**4,979**
	Average number of employees	**187**	**127**	**118**	**116**

Notes to the Financial Statements

		Group		Parent	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
3	**Financial income**				
	Interest received from group enterprises	0	0	571	2,496
	Other financial income	0	8	0	4
	Exchange adjustments	9,406	0	9,407	0
		9,406	**8**	**9,978**	**2,500**
4	**Financial expenses**				
	Interest paid to group enterprises	1,310	549	1,328	503
	Other financial expenses	6,371	3,537	5,960	3,537
	Exchange adjustments, expenses	597	8,882	0	8,095
		8,278	**12,968**	**7,288**	**12,135**
5	**Tax on profit/loss for the year**				
	Current tax for the year	21,831	6,028	15,532	6,027
	Deferred tax for the year	-1,419	-357	-507	-357
	Adjustment of tax concerning previous years	3,010	1,202	0	196
	Adjustment of deferred tax concerning previous years	0	-508	0	227
		23,422	**6,365**	**15,025**	**6,093**

Notes to the Financial Statements

6 Intangible assets

Group

	Software	Customer relations	Goodwill	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	10,382	39,100	52,349	101,831
Net effect from merger and acquisition	2,761	0	0	2,761
Additions for the year	326	66,630	71,411	138,367
Transfers for the year	-624	0	0	-624
Cost at 31 December	12,845	105,730	123,760	242,335
Impairment losses and amortisation at 1 January	6,329	4,123	8,293	18,745
Net effect from merger and acquisition	1,264	0	0	1,264
Amortisation for the year	2,496	6,658	9,663	18,817
Transfers for the year	335	0	0	335
Impairment losses and amortisation at 31 December	10,424	10,781	17,956	39,161
Carrying amount at 31 December	**2,421**	**94,949**	**105,804**	**203,174**

Parent

	Software	Customer relations	Goodwill	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	10,382	39,100	52,349	101,831
Additions for the year	326	0	0	326
Transfers for the year	-624	0	0	-624
Cost at 31 December	10,084	39,100	52,349	101,533
Impairment losses and amortisation at 1 January	6,329	4,123	8,293	18,745
Amortisation for the year	2,002	2,607	5,235	9,844
Transfers for the year	335	0	0	335
Impairment losses and amortisation at 31 December	8,666	6,730	13,528	28,924
Carrying amount at 31 December	**1,418**	**32,370**	**38,821**	**72,609**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	0	8,535	2,631	11,166
Net effect from merger and acquisition	0	7,639	719	8,358
Additions for the year	12,074	993	0	13,067
Disposals for the year	0	-387	0	-387
Transfers for the year	0	-230	0	-230
Cost at 31 December	12,074	16,550	3,350	31,974
Impairment losses and depreciation at 1 January	0	7,265	2,631	9,896
Net effect from merger and acquisition	0	5,414	322	5,736
Depreciation for the year	13	1,929	83	2,025
Reversal of impairment and depreciation of sold assets	0	-384	0	-384
Transfers for the year	0	-1,189	0	-1,189
Impairment losses and depreciation at 31 December	13	13,035	3,036	16,084
Carrying amount at 31 December	**12,061**	**3,515**	**314**	**15,890**

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	TDKK	TDKK	TDKK
Cost at 1 January	0	8,099	8,099
Additions for the year	12,074	811	12,885
Disposals for the year	0	-339	-339
Transfers for the year	0	-230	-230
Kostpris at 31 December	12,074	8,341	20,415
Impairment losses and depreciation at 1 January	0	6,949	6,949
Depreciation for the year	13	1,268	1,281
Reversal of impairment and depreciation of sold assets	0	-339	-339
Transfers for the year	0	-1,189	-1,189
Impairment losses and depreciation at 31 December	13	6,689	6,702
Carrying amount at 31 December	**12,061**	**1,652**	**13,713**

	Parent 2021	Parent 2020
	TDKK	TDKK
8 Investments in subsidiaries		
Cost at 1 January	40,960	688
Exchange adjustment	1,936	-284
Additions for the year	148,756	0
Contribution from group	0	40,556
Cost at 31 December	191,652	40,960
Value adjustments at 1 January	-36,704	-36,214
Exchange adjustment	-1,482	-201
Net profit/loss for the year	18,564	-289
Amortisation of goodwill and other intangible assets	-7,747	0
Value adjustments at 31 December	-27,369	-36,704
Carrying amount at 31 December	**164,283**	**4,256**
Positive differences arising on initial measurement of subsidiaries at net asset value	138,041	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danoffice IT SA	Rolle, Switzerland	CHF 100.000	100%
Danoffice IT Inc.	Newark, Delaware, USA	USD 30	100%
Edgemo A/S	Hinnerup, Denmark	DKK 500.000	100%
NPvision Group A/S	Aarhus, Denmark	DKK 500.000	100%
Danoffice IT PTE. LTD.	Singapore	SGD 220.000	100%

Notes to the Financial Statements

9 Other fixed asset investments

	Group	Parent
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	2,398	1,667
Additions for the year	845	728
Disposals for the year	-1,102	-840
Cost at 31 December	2,141	1,555
Carrying amount at 31 December	**2,141**	**1,555**

10 Inventories

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Finished goods and goods for resale	150,280	45,687	81,310	39,196
Goods in transit	75,852	34,563	74,366	31,279
	226,132	**80,250**	**155,676**	**70,475**

11 Prepayments

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

12 Distribution of profit

	Parent	
	2021	2020
	TDKK	TDKK
Retained earnings	56,477	14,907
	56,477	**14,907**

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
13 Provision for deferred tax				
Provision for deferred tax at 1 January	8,649	9,493	8,649	8,778
Amounts recognised in the income statement for the year	-1,419	-844	-506	-357
Net effect from acquisition	14,922	0	0	228
Provision for deferred tax at 31 December	**22,152**	**8,649**	**8,143**	**8,649**

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2021	Group 2020	Parent 2021	Parent 2020
Payables to group enterprises				
Between 1 and 5 years	37,726	10,775	37,726	10,775
Long-term part	37,726	10,775	37,726	10,775
Other short-term debt to group enterprises	3,343	1,523	3,343	1,523
	41,069	**12,298**	**41,069**	**12,298**
Other payables				
Between 1 and 5 years	15,171	7,370	7,353	7,370
Long-term part	15,171	7,370	7,353	7,370
Other short-term payables	39,105	12,871	24,841	12,896
	54,276	**20,241**	**32,194**	**20,266**

Notes to the Financial Statements

		Group 2021	Group 2020
		TDKK	TDKK
15	**Cash flow statement - adjustments**		
	Financial income	-9,406	-8
	Financial expenses	8,278	12,968
	Depreciation, amortisation and impairment losses, including losses and gains on sales	20,842	11,683
	Tax on profit/loss for the year	23,422	6,365
		43,136	**31,008**

		Group 2021	Group 2020
		TDKK	TDKK
16	**Cash flow statement - change in working capital**		
	Change in inventories	-93,288	-7,395
	Change in receivables	-44,480	67,967
	Change in trade payables, etc	110,241	-28,006
		-27,527	**32,566**

17 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group 2021 TDKK	Group 2020 TDKK	Parent 2021 TDKK	Parent 2020 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,789	1,464	1,482	1,121
Between 1 and 5 years	3,968	1,654	2,662	1,654
	6,757	**3,118**	**4,144**	**2,775**
Rental obligations between 6 to 80 months	13,665	2,881	842	1,868

Other contingent liabilities

As part of the company's ordinary business procedures, bank guarantees have been provided to third parties. At 31 December 2021, bank guarantees amounted to TDKK 33,342 (2020: TDKK 27,324)

The company is jointly and severally liable for group enterprises credit facility within Nykredit Bank. At 31 December 2021, credit facilities amounted to TDKK 174,240 (2020: TDKK 109,037)

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Belgravia Topco ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

18 Related parties

	Basis
Controlling interest	
Belgravia Bidco ApS	Majority owner
Agilitas 2015 Private Equity Fund L.P.	Ultimate ownership

Notes to the Financial Statements

18 Related parties (continued)

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Group Annual report of Belgravia Topco ApS may be obtained by contacting Belgravia Topco ApS

Name	Place of registered office
Belgravia Topco ApS	Englandsvej 14, DK-5700 Svendborg

19 Fee to auditors appointed at the general meeting

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Audit fee	318	175	188	175
Tax advisory services	404	15	389	15
Non-audit services	916	629	896	629
	1,638	**819**	**1,473**	**819**

20 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Danoffice IT ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Danoffice IT ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Notes to the Financial Statements

21 Accounting Policies (continued)

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

21 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

21 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Customer relations is measured at cost less accumulated amortisation. Customer relations is amortised on a straight-line basis over its useful life, which is assesed at 15 years.

Notes to the Financial Statements

21 Accounting Policies (continued)

Software that are recognised in the balance sheet are measured at cost less accumulated depreciation.

The expected useful life is 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	2-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

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

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation

21 Accounting Policies (continued)

of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the de-

Notes to the Financial Statements

21 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term

Notes to the Financial Statements

21 Accounting Policies (continued)

debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

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