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Dkt Connect A/S

Fanøvej 6
4060 Kirke Såby
CVR No. 14047395

Annual report 2022

The Annual General Meeting adopted the annual report on 18.06.2023

Joachim Döring
Chairman of the General Meeting

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Entity details

Entity

Dkt Connect A/S

Fanøvej 6

4060 Kirke Såby

Business Registration No.: 14047395

Registered office: Lejre

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Christian Hermann Günther Thomas Steer

Joachim Döring

Ludwig Michael Modra

Executive Board

Anthony William Joseph Basham

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Dkt Connect A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kirke Såby, 18.06.2023

Executive Board

Anthony William Joseph Basham

Board of Directors

Christian Hermann Günther Thomas Steer **Joachim Döring**

Ludwig Michael Modra

Independent auditor's report

To the shareholders of Dkt Connect A/S

Opinion

We have audited the financial statements of Dkt Connect A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 18.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen
State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

As in the past, the Company's most important activities have been sales and consulting in low power systems, including alarm, cable TV and common antenna systems.

Development in activities and finances

The income statement for 2022 shows a profit of DKK 6,858,925 against a profit of DKK 2,903,193 last year, and the balance sheet at 31 December 2022 shows equity of DKK 13,356,833.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

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

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		**11,962,310**	**6,061,823**
Staff costs	1	(1,801,366)	(1,859,705)
Depreciation, amortisation and impairment losses	2	(28,130)	(28,130)
Operating profit/loss		**10,132,814**	**4,173,988**
Other financial income	3	16,578	29,002
Other financial expenses	4	(1,349,447)	(476,518)
Profit/loss before tax		**8,799,945**	**3,726,472**
Tax on profit/loss for the year	5	(1,941,020)	(823,279)
Profit/loss for the year		**6,858,925**	**2,903,193**
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		3,000,000	0
Retained earnings		3,858,925	2,903,193
Proposed distribution of profit and loss		**6,858,925**	**2,903,193**

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		9,773	26,528
Intangible assets	6	**9,773**	**26,528**
Other fixtures and fittings, tools and equipment		10,426	21,801
Property, plant and equipment	7	**10,426**	**21,801**
Deposits		4,939	4,813
Financial assets	8	**4,939**	**4,813**
Fixed assets		**25,138**	**53,142**
Manufactured goods and goods for resale		4,157,312	4,992,449
Inventories		**4,157,312**	**4,992,449**
Trade receivables	9	21,968,632	12,575,772
Deferred tax		23,901	166,902
Prepayments		976,080	50,665
Receivables		**22,968,613**	**12,793,339**
Cash		**7,951,478**	**468,506**
Current assets		**35,077,403**	**18,254,294**
Assets		**35,102,541**	**18,307,436**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Retained earnings		9,856,833	5,997,908
Proposed dividend		3,000,000	0
Equity		**13,356,833**	**6,497,908**
Other provisions		0	623,230
Provisions		**0**	**623,230**
Trade payables		801,211	2,604,541
Payables to group enterprises		8,170,129	5,938,558
Income tax payable		1,798,018	942,980
Other payables		9,116,057	200,219
Deferred income		1,860,293	1,500,000
Current liabilities other than provisions		**21,745,708**	**11,186,298**
Liabilities other than provisions		**21,745,708**	**11,186,298**
Equity and liabilities		**35,102,541**	**18,307,436**
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	5,997,908	0	6,497,908
Profit/loss for the year	0	3,858,925	3,000,000	6,858,925
Equity end of year	**500,000**	**9,856,833**	**3,000,000**	**13,356,833**

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	1,607,245	1,650,209
Pension costs	160,648	145,061
Other social security costs	15,612	25,374
Other staff costs	17,861	39,061
	1,801,366	**1,859,705**

Average number of full-time employees	3	3

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	16,755	16,755
Depreciation of property, plant and equipment	11,375	11,375
	28,130	**28,130**

3 Other financial income

	2022 DKK	2021 DKK
Exchange rate adjustments	16,578	29,002
	16,578	**29,002**

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	98,409	111,029
Other interest expenses	5,726	13,045
Exchange rate adjustments	1,245,312	352,444
	1,349,447	**476,518**

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	1,798,018	942,980
Change in deferred tax	143,002	(119,701)
	1,941,020	**823,279**

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	50,264
Cost end of year	**50,264**
Amortisation and impairment losses beginning of year	(23,736)
Amortisation for the year	(16,755)
Amortisation and impairment losses end of year	**(40,491)**
Carrying amount end of year	**9,773**

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	34,124
Cost end of year	**34,124**
Depreciation and impairment losses beginning of year	(12,323)
Depreciation for the year	(11,375)
Depreciation and impairment losses end of year	**(23,698)**
Carrying amount end of year	**10,426**

8 Financial assets

	Deposits DKK
Cost beginning of year	4,813
Additions	126
Cost end of year	**4,939**
Carrying amount end of year	**4,939**

9 Trade receivables

Out of the Company's total receivables, trade receivables totalling DKK 4,608,000 fall due for payment after more than one year after the balance sheet date.

10 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	4,839	4,813

11 Contingent liabilities

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Income statement

Gross profit or loss

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity’s primary activities.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses

relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs
Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation, amortisation and impairment losses
The item comprises amortisation/depreciation of intangible assets and property, plant and equipment

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment 3-5 years
Acquired intangible assets 3-5 years

Other financial income and expenses
Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advancepayment- of-tax scheme, etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.
Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Investments
Deposits include rental deposits, which are recognised and measured at cost. Deposit is not amortised.

Impairment of fixed assets
The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable 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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables
Receivables are measured at amortised cost.

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or
portfolio is used as discount rate.

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

Cash
Cash comprise cash and short term securitieswhich are readily convertible into cash and subject only to minor risks of changes in value.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Proposed dividends
Dividend proposed for the year is recognised asa liability once adopted at the annual generalmeeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions
Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be requiredto settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes
Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the 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 goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition 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 is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities
Liabilities are measured at net realisable value.

Deferred income
Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.