Financial report 2021

Hirschmann Multimedia Holding B.V.

Weesp

Contents

Directors' report

Overview

Hirschmann Multimedia is an international technology Company that develops and offers broadband technologies and products, industrial network solutions and related services. Our customer base consists of cable and telecom operators, distributors to retail and installation companies as well as industrial and public sector organizations. Our business is divided into two areas, which are broadband products (in-home and telecom) and network solutions (multimedia and industrial). In both areas we rank among technological innovators.

The strategic priorities in 2022 and 2023 will be focused around new products for our channel business (such as the APAC- and EDC-line), IPTV/Cloud TV and Chromecast products, the launch of our open source digital node (Pebble) in the provider market and the start of a new activity aimed to reduce CO2 by means of a variety of products, i.e., in first instance LED. The order intake is still growing, but due to supply chain issues we are unable to fulfil the majority, which had and will have an impact on our final revenue and bottom line results.

Developments during the financial year

The impact of Covid-19 on our industry continued unfortunately in 2021. Not only the entire supply chain faced major challenges, also consumers as well as corporations and (local) governments changed the timing of technology spent. Where we saw an increase in our consumer results in the first half of 2021, the total market collapsed in the latter part of the year. The access to premises of our major customers stalled completely, predominantly in the healthcare and hotel sector.

Due to supply chain challenges and the Suez Channel issue, we faced major delays in product(component) deliveries. Since our products are comprised of several components, our cash got trapped in production and stock. This resulted in cashflow challenges, but also a huge backlog of almost € 5,5 mio (2020: 4,5 million), that impacted our bottom line result. Given the inability to deliver our products combined with the drop in consumer business, we missed at least € 3 mio of new product sales. With a margin of around 38,75% our bottom line result could have been definitely positive, where this year – although EBITDA positive – our net result was negative once more.

Nevertheless, our net sales increased with more than 9% to € 16,3 million (2020: 14,9 million). Our channel consumer business in Belgium increased with 10% and could have been more if the latter part of the year the consumer behaviour hadn't changed. Our network and multimedia cloud solutions business improved slightly while our provider product business grew with 8%.

This year we changed our revenue recognition method from completed contract to percentage of completion for our projects. This is in line with industry standards and will give a better reflection of the company's results. For 2020 and 2021 there was no significant impact on equity and the 2020 net result and equity would have been 92k higher.

Furthermore, we have increased the economic lifetime of assets from 3 to 5 years as it appeared that the maintained three years depreciation for intangible and tangible fixed assets is too short as outlined in the notes to the balance sheet. As a result, the 2021 depreciation/amortization decreased with € 156k.

This provided a better result before tax than last year. We closed our books with a loss of -€ 80k (2020: - € 563k). Our EBITDA position improved to a positive € 318k (2020: - € 259k). This was also achieved by cost reductions, which will even be further improved in 2022 by means of a stringent cost policy.

To strengthen our equity position a € 400k provided loan by Kroon Holding BV was converted into a subordinated loan. Nevertheless, our solvability ratio dropped slightly to 31,4% (2020: 33,2%), however, as our main bank relation (ABN AMRO) deducts the intangible assets from our equity position resulting in a solvability ratio of 16,3%, we failed to comply with the covenants of our bank facility, not resulting in any measures taken by the bank. Please note our intangible assets represent the development of new products and are key important for the future of the company.

To enable the company to support its growth and have sufficient cash available, the company entered on December 2nd, 2022 into three arrangements with the NL Credit Services Group for a total amount of € 2,85 million. .As a result management is confident that it can fulfil its growth ambitions

Business areas

We made strong progress in increasing our market share in Belgium for consumer products. Due to supply chain issues, we unfortunately could not launch our full suite of fibre products including the CAS8. The latter is still stuck in our production chain due to material shortage. To improve our Cloud offering we teamed up with a finance company that can provide the necessary funds to our customers to purchase our products as-a-service. The development of the open-source digital node (pebble) progressed not as quick as we anticipated due to the continuing supply chain issues. However, the interest in this particular product is encouraging and will definitely provide growth in the years to come.

Investments

The main investments we made in tangible assets totalled € 469k (2020: € 330k) and € 558k in intangible assets (2020: € 237k), the latter to be split in € 547k R&D development work in progress and € 11k acquired assets. The tangible assets include the renovation costs of the office building. We continued to invest heavily in research and development, mainly driven by our own R&D department. The focus is and will be on the digital and IP products, industrial as in home.

Social and personnel issues

In 2021 the average number of FTE was 57 (2020: 61). At the end we employed 57 FTE with 6 vacancies. Due to the shortage of (IT) staff in the market in general and the high salaries offered by competitors, it's challenging to fulfil the vacancies.

Staff expenses dropped to € 3,9 million (2020: € 4,2 million) due to the inability to find replacement for open positions. The absence rate due to illness declined to 2,73% compared to FY20 (5%) and probably will continue to remain at the same level throughout 2022.

In the last quarter of 2021 we introduced a new staff management tool (Baarda) which will allow us to monitor the performance of our staff on the one hand but will also give ample room for our employees to define their career paths and monitor progress on the other hand.

Environmental issues

In 2021 our office in Weesp was reconstructed to the latest environmental building standards, including the replacement of our lightning system by LED, reducing considerable energy consumption and CO2. In our car policy we introduced various hybrid or total electric cars. The use of Teams reduced our travel movements by car, train or plane. We also introduced Sharepoint. The central storage of documents (instead of local storage and more email traffic) is reducing our storage space within a data centre, indirectly decreasing the CO2 footprint. We continued to separate our business garbage (iron, lamps, batteries, toner etc) and secure ecological disposal.

From a production perspective we strive and continue to deliver energy diminishing products by developing energy smart functionality in our products, combined with software that can switch off unused parts within hardware and optimize the hardware performance.

Covid-19

In 2021 Hirschmann managed to grow its revenues, despite Covid-19. The order portfolio is healthy but the ability to fulfil the orders is constrained due to supply chain and raw material issues. There is, however, a noticeable change towards the impact Covid-19 had on the Company in 2020.

A major part of the products consists of different components that are delivered by various parties, predominantly located in the Far East. This implies that one manufacturer may be able to finish their part of the product as such, but to make it an end product, other components are needed by the next manufacturer. Due to raw material shortage the Company faces the issue that various manufacturers are paid for completing their part in the production of a product, but the product can't be sold since it is not finished as one of the other manufacturers is not able to complete it due to raw material shortage. In prevailing cases Hirschmann needs to help this manufacturer by looking in the market for replacing components and parts. This job is performed by the R&D team, valuable time that could not be spent on further product development.

The alternative solution is always more expensive, which ultimately has an impact on margin and therefore is forcing cost reduction in other areas.

In addition to these long lead times from production to end product, the transportation issues increased. Once the product is finally ready it takes a very long time before it can be shipped to customers. In some cases transport of goods is done via air with additional costs absorbed by the customer.

On top of that a new challenge is posing even further constraint on Hirschmann's working capital. More and more manufacturers are forced to change payment terms due to cashflow issues and ask full payment upfront. This predominantly occurs in the Far East where the suppliers of raw materials changed to different payment terms caused by the shortage in commodities. The necessary ingredients will not be supplied to the buying manufacturer if payment is not made entirely upfront.

Given the growing precariousness of the mutation of the virus and the fact it will take a long time before things will move back to normal, the Company took the following measures:

- The hiring of a new CFO per January 1st, 2022 led to stricter cashflow management and arrangement of new financial resources to strengthen the working capital position to make the Company ready for further growth.
- The hiring of a supply chain & purchase planner per February 1st, 2022 was needed to ensure daily management of the whimsical supply chain.
- An assessment for alternative production resources in Europe instead of the Far East took place to improve delivery times and associated uptake in revenues, decisions will be made during 2022 which products can be shifted to European production partners.
- An assessment was made for alternative product offerings that are less dependent on supply chain/raw material issues. This resulted among other things in the new Green initiative that was launched in April '22.

Opportunities and risks faced by the business areas

The still lasting supply chain issues and shortage of raw materials will continue to have an impact on our business going forward. Although our order portfolio continues to ramp up, we are not able to meet demand as fast as we wish. To face the on-going challenges with deliveries from the Far East we will look – where possible – for European productions that might be able to deliver our products faster. The increase in raw material prices and transport will cause price increases, which are accepted by the market due to the worldwide constraints.

Unfortunately, due to the above issues the payment requirements changed. We are – as other peers in the industry – forced to act as a bank. At the start of the supply chain the demand for upfront payment of the entire order is increasing, which obligation is shifted to Hirschmann by our production partners. Due to the long supply cycles, this will continue to have a serious impact on our cashflow. Combined with our growth ambitions – predominantly also in the Green area – we will look for other financial alternatives such as additional working capital, subsidies and green loans to secure our future growth.

Hiring new staff will be challenging, however, we are confident we will find the right person for the right job as we moved to new headhunters and encourage our own staff to look in their network to fill the vacancies for a small reward if successful. We tend to look as well at younger people that we can train and educate ourselves if we fail to succeed to hire experienced staff.

Since we continue to focus on high quality, service, flexibility, accuracy and customer focus and are well-known for these important key factors in a market where the use of internet becomes almost part of the primary necessities of life, we are very confident about our future in which the use of WIFI, internet and television are very important for our day-to-day way of living. Our target market is constantly in development and our products remain to be key important for everyday life.

16-12-2022

Weesp, December 2nd, 2022

D. Kroon

Board of directors,
Drs. D.A.J. Kroon.

Consolidated financial statements

HIRSCHMANN MULTIMEDIA

Consolidated balance sheet as at 31 December 2021

(after appropriation of result)

		31 December 2021		31 December 2020	
	note	€	€	€	€
Assets					
Non-current assets					
Intangible assets	1.1	1.123.106		810.215	
Tangible assets	1.2	613.982		272.850	
Financial assets	1.3	897.377		861.084	
			2.634.465		1.944.149
Current assets					
Inventories	1.4.	3.195.021		2.429.779	
Receivables	1.5.	1.533.435		1.535.300	
Cash at banks and in hand	1.6.	70.387		478.311	
			4.798.843		4.443.390
			7.433.308		6.387.539

		31 December 2021	31 December 2020
	Note	€	€
Group equity and liabilities			
Group equity			
Equity capital	1.7	2.333.998	2.210.104
Current liabilities	1.8.	5.099.310	4.177.435
		7.433.308	6.387.539

Consolidated income statement for the year ended 31 December 2021

			2021		2020
	Note	€	€	€	€
Net turnover	2.0		16.344.135		14.890.080
Cost of sales			(10.082.675)		(8.995.339)
Gross profit			6.261.460		5.894.741
Selling expenses	2.1	(4.706.873)		(5.312.306)	
General & Administration Expenses	2.2	(1.609.117)		(1.410.691)	
Total costs			(6.315.990)		(6.722.997)
Operating loss			(54.530)		(828.256)
Financial expenses and income	2.3		(52.147)		8.229
Result before tax			(106.677)		(820.027)
Tax on result	2.5.		26.669		257.304
Result after tax			(80.008)		(562.723)

Consolidated cash flow statement for the year ended 31 December 2021

		2021		2020
	€	€	€	€
Cash flows from operating activities				
Operating loss		(54.530)		(828.256)
Adjustments in respect of:				
Amortisation of intangible assets	245.569		495.069	
Depreciation of tangible assets	127.404		73.646	
		372.973		568.715
Movements in working capital:				
Inventories	(765.243)		(451.033)	
Construction contracts	(969.479)		167.374	
Receivables	38.772		(637.527)	
Current liabilities (excluding finance balances)	748.247		1.792.070	
		(947.703)		870.884
Cash flows (used in) / generated from operating activities		(629.260)		611.343
Interest paid	(13.293)		(1.585)	
Corporate income tax paid on operating activities	(74.890)		(9.490)	
		(88.183)		(11.075)
Cash flow (used in) / generated from operating activities		(717.443)		600.268

	2021		2020	
	€	€	€	€
Investments in:				
- Intangible assets	(10.940)		(132.586)	
- Tangible assets	(468.536)		(206.309)	
Cash flow used in investment activities		(479.476)		(338.895)
Loan Kroon Holding	400.000		0	
		400.000		
Cash flow generated from financing activities		38.854		9.812
Net cash flows		(758.065)		271.185
(Decrease / increase on cash at bank and in hand		(758.065)		271.185

The movement in cash at banks and in hand can be broken down as follows:

	2021	2020
Balance as at January 1	(88.220)	(359.405)
Movements during the financial year	(758.065)	271.185
Balance as at 31 December	(846.285)	(88.220)

Notes to the consolidated financial statements

Entity Information

Registered address and registration number trade register.
The registered and actual address of Hirschmann Multimedia B.V. is Pampuslaan 170, 1382 JS in Weesp, the Netherlands. The Company is registered at the Chamber of Commerce under number 32025033.

General notes

The most important activities of the company.
The activities of Hirschmann Multimedia Holding B.V., with its registered office and its actual place of business Pampuslaan 170 in Weesp, and its group companies ("the Group") mainly concern the trade in electronic and cable equipment. Furthermore, cable network projects take place. Sales are made in both the domestic and foreign markets, with the countries of the Benelux forming the most important markets. Furthermore the Company is actively promoting their as-a-service concept for Cloud solutions.

Disclosure of group structure
Hirschmann Multimedia Holding B.V. is the head of the group.
The registered and actual address of Hirschmann Multimedia Holding B.V. is Landstraat 207, 1404 JJ Bussum and is registered at the Trade Register of the Chamber of Commerce under number 34319999.

A summary of the information required under articles 2:379 and 2:414 of the Dutch Civil Code is given below:

Consolidated companies:

Name	Registered office	Share in issued share capital
Hirschmann Multimedia B.V.	Weesp	100%

Disclosure of estimates
In applying the principles and policies for preparing the financial statements, the directors of the company make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of consolidation
Financial information relating to group companies and other legal entities controlled by Hirschmann Multimedia Holding B.V. or where central management is conducted, has been consolidated in the financial statements of Hirschmann Multimedia Holding B.V. The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving").

The financial information relating to Hirschmann Multimedia Holding B.V. is presented in the consolidated financial statements. Accordingly, in accordance with art. 2:402 of the Dutch Code, the company-only financial statements only contain an abridged profit and loss account.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are disclosed separately in the consolidated financial statements.

Hirschmann Multimedia BV and Hirschmann Multimedia Holding BV are in a fiscal unity for corporate income tax and/or value-added tax and are several and joint liable.

General accounting principles

The accounting standards used to prepare the financial statements
The consolidated financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').
Assets and liabilities are generally measured at historical cost, production cost or at fair value at the time of acquisition. If no specific measurement principle has been stated, measurement is at historical cost.

Disclosure of changes in accounting policies.
The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the recognised changes in accounting policies as set out in the relevant sections, more specifically the percentage of completion systematic change in line with RJ145. Management came to the conclusion that there is nog material impact caused by this change in comparison with FY20. The effect on net result and total equity would have been 92k. Furthermore we adjusted the depreciation term for intangible assets. The latter will be further explained in the notes to the specific items to the balance sheet and profit & loss account.

Conversion of amounts denominated in foreign currency
Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in Euros, which is the functional and presentation currency of the company.

Basis of conversion and processing of Exchange Rate Differences relating to foreign currency transactions for the Balance Sheet
Transactions in foreign currencies are stated in the financial statements at the monthly exchange rate of the functional currency on the transaction date that falls within a certain month.

Foreign currency translations and the processing of foreign currency translation difference with regard to business activities abroad.
Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group Company operates (the functional currency). The consolidated financial statements are presented in Euros, which is the functional and presentation currency of Hirschmann Multimedia Holding B.V.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Operating leases
The corporation has lease contracts for the company cars whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the consolidated profit and loss account for the duration of the contract.

Financial instruments
Securities included in current assets are initially and subsequently measured at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading. All other on-balance financial instruments are carried at (amortised) cost. There are currently no securities included in our current assets.

Financial instruments are both primary financial instruments (such as receivables and debts), and derivative financial instruments (derivatives).

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the ‘Contingent assets and liabilities’.

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item of the ‘Principles for the valuation of assets and liabilities’. The Company does not have any derivative financial instruments.

Hedge accounting
Hirschmann currently doesn't apply hedge accounting.

Currency risk
Hirschmann Multimedia Holding B.V. mainly operates in the Benelux and the European Union.

Interest rate and cash flow risk
The Company incurs interest rate risk on interest bearing receivables (in particular those included in cash) and on interestbearing non-current and current liabilities.

Where floating-interest loans and receivables are concerned, Hirschmann Multimedia Holding B.V. incurs risk regarding future cash flows. In addition, Hirschmann Multimedia Holding B.V. incurs risks on fixed interest loans and receivables with respect to the fair value due to changes in the market rate of interest. No financial derivatives for interest rate risk are contracted with regard to the receivables.

Credit risk

Hirschmann Multimedia Holding B.V. does not have any significant concentrations of credit risks. Sales are made to customers meeting the credit rating of the Company. Goods are sold and services rendered subject to payment terms ranging between 8 and 60 days. For major supplies, a different payment term might apply. In that case, additional securities will be required, including guarantees.

Liquidity risk

Hirschmann Multimedia Holding B.V. uses several banks. The Company has an overdraft facility with the ABN AMRO Bank giving the Company’s receivables as a security. The overdraft facility has been utilized fully predominantly in the latter part of the year. Due to supply chain issues and the tendency to shift cashflow issues from the chain to companies like Hirschmann, the Company is taking the appropriate measure to strengthen its working capital position. At the moment the Company does not use any hedging instrument, but will look at alternatives in the next fiscal year.

General accounting principles for the preparation of the consolidated financial statements

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date, with exception of the projects that are accounted for as estimated percentage of completion. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Intangible fixed assets
Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year. For the costs of research and development a statutory reserve is formed in the amount of the capitalized amount. The presented costs are fully in line with RJ 210.224.

Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset. As mentioned in the general note section the depreciation time has been adjusted based on experience and changed market circumstances from three into five years.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

Tangible fixed assets
Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Costs for periodical major maintenance are charged to the result at the moment they arise.

Financial fixed assets
Deferred tax assets are stated under the financial fixed assets if and to the extent it is probable that the tax claim can be recognised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character. The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Inventories
Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.

The historical cost or production cost consists of all costs relating to the acquisition or production and the costs incurred in order to bring the inventories to their current location and current condition. The production cost includes direct labour and fixed and variable production overheads, taking into account the costs of the operations office, the maintenance department and internal logistics.

Inventories of raw materials, consumables and goods for resale are valued at acquisition price or lower net realisable value. This lower net realizable value is determined by individual assessment of the inventories. The valuation of inventories of raw materials and consumables is based on standard cost. The inventories of goods for resale are valued individually, at acquisition price or lower net realisable value.
In determining the realisable value the obsolescence of the inventories is taken into account.

The work in progress and the inventories of finished goods are valued at the lower of cost of manufacture and net realisable value. This lower net realisable value is determined by individual assessment of the inventories. Cost of manufacture includes direct materials used, direct wages and machine costs and other direct costs of manufacture, together with applicable production overhead. Net realisable value is based on estimated selling price, less any future costs to be incurred for completion and disposal.

Construction contracts
Construction contracts for third parties are valued at the realised construction contract costs and net of recognized losses and invoiced instalments. If the result from construction contracts cannot be reliably estimated no profit is attributed. The construction contract costs comprise the costs directly relating to the construction contract, the costs that are attributable to construction contract activities in general and can be attributed to the contract and other costs that are chargeable to the customer under the terms of the contract.

Construction contracts also includes the construction contracts ensuing from the construction contract development, if and insofar as an unconditional sales agreement has been concluded for components of the construction contract prior to or during the construction.

If the aggregate of all construction contracts shows a debit balance, the aggregate balance is presented under the current assets. If the aggregate of all construction contracts shows a credit balance, the aggregate balance is presented under the current liabilities.

Income from construction contracts realised during the financial year is recognised in the profit and loss account as income in the item revenue as percentage of completion which will be further detailed in the notes to the specific items of the consolidated balance sheet. Construction contract costs are recognized in the cost of sales.

Receivables
The Receivables in the Company financial statements fall all due within one year. Upon initial recognition the receivables are valued at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents bank and in hand
Cash at banks and in hand represent cash in hand and bank balances with terms of less than twelve months. Cash at banks and in hand is carried at nominal value.

Provisions
Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions are measured at the present value of the expenditures expected to be

required to settle the obligation, unless the time value of money is not material. Where the effect of the time value of money is not material, provisions are measured at their nominal value.
If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Provisions for pension obligations

The company has a pension scheme for its employees. The most important characteristics of these schemes are:

- Defined contribution plan for pension and partner pension in case of decease before pension date;
- End pay system for the partner and orphans pension in case of decease of a participant before pension date;
- Anw-hiaatpension;
- Lifecycle investment
- Indexation is not applicable.

The provisions of the Dutch Pension Act (Pensioenwet) are applicable. The company pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Premiums are recognised as employee cost when they are due. If premiums already paid exceed the premium payable to the pension administrator, the excess is recognised as a prepayment if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are presented as liabilities. The contract was renewed in 2021 for a new period of five years with Nationale Nederlanden.

Additions to and release of the obligations are recognized in the profit and loss account. The Company only contributes to the pension plans of its employees and does not guarantee a certain coverage rate. It is up to the employees and the Pension Fund to determine – at time of retirement – how payment will be made. The employee can also decide to put extra money in the Fund before retirement to optimize its return once retired.

Foreign pension plans
For foreign pension plans similar to the way in which the Dutch pension system is designed and operates, recognition and measurement of liabilities arising from these pension schemes are carried out in accordance with the measurement of the Dutch pension schemes.

Deferred tax liabilities
Deferred tax liabilities are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the company and it is probably that the temporary difference will not reverse in the foreseeable future.

Deferred tax balances are measured at nominal value.

Current liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are measured at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date, with exception of the projects that are accounted for as estimated percentage of completion. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Net revenue

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover. Revenue from the sale of goods and the rendering of services is recognized if the amount or the result can be reliably determined.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts in line with percentage of completion after deduction of discounts and such like and of taxes levied on the turnover.

Revenues from the sale of goods

Revenues from the goods supplied are recognised when (substantially) all significant risks and significant rights to economic benefits in respect of the goods have been transferred to the buyer.

Revenues from providing services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered. These are reflected in the percentage of completion revenues.

Costs of raw materials and consumables

Costs of raw materials and consumables are allocated to the period concerned.

Costs of raw materials and consumables.

Costs of raw materials and consumables are included in the work in progress number and will be allocated in the inventory in the period in which the final product is delivered by the manufacturer to Company's premises.

Cost of outsourced work and other external expenses

Costs of subcontracted work and other external costs are allocated to the period concerned.

Costs of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

Employee cost (employee benefits)

Employee costs (wages, salaries, social security contributions, etc.) are recognised in the consolidated profit and loss account on the basis of the employment terms and tax regulations and are not presented as a separate item in the income statement. These costs are included in other components of the income statement, i.e. selling expenses and general & administration expenses. For a specification, reference is made to the relevant note.

Applied policy of pension costs

The company applies the liability approach to account for all pension schemes. The premium (contribution) payable during the reporting year is recognised as an expense. Movements in the pension provision are also charged to the result. No premium is paid in case of disability or WIA-allowance.

Amortisation of intangible assets and depreciation of property, plant and equipment
Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.
Gains and losses from the occasional sale of intangible and tangible fixed assets are included in depreciation.

Other operating expenses
Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses
Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration. Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur.

Income tax expense
Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate. The company and its group companies form a fiscal unity. In the financial statements of group companies a tax charge is calculated on the basis of the accounting result. The corporate income tax that is due by these group companies is charged into the current accounts with the company.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement.

Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognized as cash used in financing activities. The purchase consideration paid for the acquired group Company has been recognized as cash used in investing activities where it was settled in cash.
Any cash at banks and in hand in the acquired group Company have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, such as entering into a financial leasing agreement, are not recognized in the cash flow statement. The value of the related asset and lease liability are disclosed in the notes to the balance sheet items. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Selling expenses and general and administrative costs

Selling expenses and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Government subsidies and taxes
Operating subsidies are recorded as income in the income statement in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Government taxes are recorded as expenses at the time all conditions with regard to the applicable government tax have been met.

Percentage of completion.

The (estimated) percentage of the realisation of work and services of a construction project during a year minus the (estimated) percentage of costs associated with the realisation of work and service of that construction project during a year.

Notes to the specific items of the consolidated balance sheet

1.1 Intangible assets

Movements in intangible assets can be broken down as follows:

	Research and developme nt costs	Computer software	Total
	€	€	€
As at 1 January 2021			
Acquisition cost	2.458.902	172.405	2.631.307
Cumulative amortizations	(1.677.737)	(143.355)	(1.821.092)
Carrying amount as at January 1, 2021	781.165	29.050	810.215
Movements 2021			
Purchased	547.520	10.940	558.460
Amortised	(234.063)	(11.506)	(245.569)
Total movements as at December 31, 2021	313.457	(566)	312.891
At 31 December 2021			
Acquisition cost	3.006.422	183.345	3.189.767
Cumulative amortizations	(1.911.800)	(154.861	(2.066.661)
Carrying amount as at December 31, 2021	1.094.622	28.484	1.123.106
Amortisation rate	20%	20%	

Research and development cost relates to product development. A total amount of € 621.421 (2020 € 356.553) at acquisition cost has been capitalized but is still in progress. Therefore, amortization has not started yet.

The product development in fiscal year 2021 included new digital and IP products, industrial as in home.

Until now all the intangible assets were depreciated over a period of three years, with tax implications due to earlier write off. In practice it appeared that the developed new products are still sold and used after five years. Due to the long production times as described above, the time to market for new products went up to more than one year. It is therefore no longer realistic to depreciate these assets in a shorter timeframe. As a result all intangible assets will be depreciated over five years as of now. This is also in line with the tax requirements. The effect in Euro's is € 118k.

1.2 Tangible assets

Movements in tangible assets can be broken down as follows:

	Office equipment	Other fixed assets	Total
	€	€	€
As at 1 January 2021			
Acquisition cost	887.084	699.558	1.586.642
Cumulative depreciation	(729.072)	(584.720)	(1.313.792)
Carrying amount as at January 1, 2021	158.012	114.838	272.850
Movements 2021			
Purchased	464.013	5.848	469.861
Depreciation	(96.497)	(30.907)	(127.404)
Carrying amount of disposals	(1.325)	0	(1.325)
Total movements as at December 31, 2021	366.191	(25.059)	341.132
At 31 December 2021			
Acquisition cost	1.349.772	705.406	2.055.178
Cumulative depreciation	(825.569)	(615.627)	(1.441.196)
Carrying amount as at December 31, 2021	524.203	89.779	613.982
Amortisation rate	20%	20%	

The tangible assets are all working properly. None of the assets was out of use during the fiscal year. Part of the tangible assets were depreciated over three years, particularly portable computers and printers. In practice it appears that laptops and printers are used for five years, which is in line with the guidelines of the tax authorities. Therefore, the term of depreciation of all tangible assets is changed into five years. The effect in Euro's is € 38k.

1.3 Financial assets

The financial assets mentioned are all deferred tax assets. Recognised and deductible temporary differences and tax losses can be broken down as follows:

	2021	2020
	€	€
At 1 January	861.084	604.884
Deductible temporary differences	(75.786)	52.297
Deductible losses	112.079	203.903
At 31 December	897.377	861.084

It is expected the deferred tax assets will be used over the next 3 to 4 years, as reflected in our business plans and 3 year budget.

1.4 Inventories

	31 December 2021	31 December 2020
	€	€
Finished products and goods for resale	1.683.822	1.900.040
Semi-finished products (WIP)	1.511.199	529.739
Total inventories	3.195.021	2.429.779

A provision of € 68.264 was made on the inventory of finished products and goods for resale.

1.4.1. Construction contracts.

The length of the construction projects became unpredictable due to the challenges the Company faced with respect to Covid-19. The earlier mentioned supply chain and raw material issues caused great delays in the delivery of the needed products to complete the project. Furthermore, the lockdowns did not allow Hirschmann to complete the project within the given timeframes.

In the past revenue and to be deducted associated costs were taken once the total project was finished according to the completed contract methodology. To comply with industry standards and to give better insight in the performance of the company management changed its revenue recognition to the completed contract method. The effect of this change on equity and result is € 442.098 (2020: € 92.436). This is deemed not to be material and as result comparison figures have not been adjusted.

As of 2021 each project is reviewed and management assesses how much of the planned work and services have been completed. Based on the outcome a percentage of the contract price is taken as revenue while at the same time a percentage of the estimated costs are taken as cost.

For construction contracts not completed as at the balance sheet date, the accumulated net turnover amounts to € 775.696 (2020: € 331.815). The total of the advance payments received on construction contracts amounts to € 333.598 (2020: € 239.379) and is included in prepayments on orders under current liabilities.

1.5 Receivables

	31 December 2021	31 December 2020
	€	€
Trade receivables	1.053.738	1.363.811
Prepaid expenses	367.639	54.378
Corporate income tax receivable	74.889	37.982
Other receivables	37.169	79.129
Total receivables	1.533.435	1.535.300

All receivables fall due in less than one year. The fair value of the receivables approximates the book value. A provision for doubtful debts was not necessary to be formed during the financial year, as in 2020, due to further strict enforcement of the agreed payment conditions with our customers.

The overdraft facility when used requires a pledge on receivables as security (in 2022 this facility was renewed with pledge on inventory and stock, second in ranking).
The interest rate on this facility amounts to 1 months Euribor + 1.8% mark-up. The facility has been utilized during the fiscal year.

The prepaid expenses can be broken down as follows:

	31 December 2021	31 December 2020
	€	€
Insurance premiums	14.346	21.316
Other prepaid expenses	353.293	33.062

Total prepaid expenses	367.639	54.378

The prepayments comprise costs paid in advance related to the financial year 2021.

1.6 Cash at banks and in hand

Of cash and cash equivalents, € 50.000 is not at the Company's free disposal, as it is used as a guarantee for the rental of the office building.

1.7 Group equity

During the preparation of the 2021 financial statement a prior year error was identified. A tax liability position was not properly eliminated in the consolidated accounts. This error was adjusted in the 2021 consolidated equity as of 1 January 2021. It did not affect the 2020 standalone equity.
For details to equity, please refer to the notes to the Company financial statements.

	1 January 2021
	€
Group Equity	2.210.104
Prior year error in consolidated group equity	203.902
Group Equity	2.414.006

1.8 Current liabilities

	31 December 2021	31 December 2020
	€	€
Trade payables	2.548.309	1.830.912
Work in progress	0	421.959
Holiday payable	125.049	117.347
Payroll tax	545.641	476.569
NOW payable	44.169	28.949
Value added tax	578.572	495.729
Short term debt	916.672	566.531
Other liabilities	- 59.102	239.439
Shareholders loan	400.000	0
	5.099.310	4.177.435

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short term character.

The subordinated loan provided by Kroon Holding BV of € 400k is subordinated to all other liabilities.

1.9 Contingent assets and liabilities

Operational leases

The obligations from operational leases at the end of the reporting year can be specified as follows:

	31-12-2021	31-12-2020
	€	€
Minimal lease payments of operational leases with a maturity within one year	257.094	280.616
Minimal lease payments of operating leases with a maturity exceeding one year and within five years	312.695	389.255
Minimal lease payments of operating leases with a maturity exceeding five years	0	0
Total of minimal lease payments of operating leases	326.125	331.462

Lease payments for 2021 amounts to € 326.125 (2020: € 331.462)
The total is slightly lower than previous fiscal year related to currently unfulfilled vacancies.

The lease contracts relate to 30 company cars ranking in five different categories, depending on role and function. It's a full-service contract, including but not limited to maintenance, tires, service and insurance. The contracts are concluded with Broekhuis Lease. Depending on mileage the average contract is concluded for a period of 4 years, with the option to extend the contract or return the vehicle. Furthermore, the contract allows for earlier return. The costs associated will be calculated at the prevailing moment.

If the lease amount in the category exceeds a certain amount, the employee has the option to contribute on a monthly base to the lease instalment to a maximum allowed amount. This contribution will be deducted from the monthly salary. Apart from the employee, any person registered at the same address of the employee with an age > 23 years is allowed to drive the car. The employee has the duty to properly take care of the car and has an own risk of € 150,-- for the second damage in one calendar year.

Due to the shortage of raw materials we have entered into some short lease contracts to provide new employees with a temporary car with fixed terms, but with the option to extend the lease for a fixed new period if needed. However, both the lease instalments of the short lease contracts as the regular multiple year contracts are fixed during the term of the lease. The interest rate is fixed at the start of the contract.

Specification:	
14.289,85	short term rental 2021
44.751,53	multiple year lease BE
242.803,22	multiple year lease NL
26.493,00	VAT lease 2021
-2.212,55	deduction of own contribution

Rental commitments

The rental commitments expired 31st of March 2021.
The current rental contract expires 31st of March 2028 with an annual amount of € 165.000.

Obligations to pay:	
No later than 1 year	€165.000
Later than 1 year and no later than 5 years	€660.000
Later than 5 years	€41.250

Rental payments for 2021 amounts to € 177.059 (2020: € 203.888)

Bank facility

Hirschmann Multimedia B.V. has entered into a bank overdraft facility of € 1.000.000, which was renewed in FY22 for the reasons as mentioned earlier on (Hirschmann Multimedia Holding B.V. to be included). On top of the pledge on receivables, the bank requested a pledge on inventory and stock, currently second in ranking after Swish Fund. The interest rate of this facility amounts to 1 months Euribor + 1.8% mark-up. Hirschmann is in breach with the covenants of this facility. Until this moment the bank has not ended the facility.

Notes to the income statement

2.0 Net turnover

Net turnover can be broken down as follows:

	2021	2020
	€	€
Trade activities	9.100.668	8.522.089
Income from construction contracts on behalf of third parties	7.243.467	6.367.991
	16.344.135	14.890.080

2.1 Selling expenses

Selling expenses can be broken down as follows:

	2021	2020
	€	€
Wages and salaries	2.704.607	2.929.037
Pension contributions	293.289	312.345
Social security charges	341.722	438.729
Other expenses	1.367.255	1.632.195
	4.706.873	5.312.306

Subsidy with regard to research and development (WBSO) accounts for € 28.096 (2020: € 24.468). The subsidy has been deducted from social security costs.

2.2 General & Administration expenses

General and administrative expenses can be broken down as follows:

	2021	2020
	€	€
Wages and salaries	525.186	461.372
Pension contributions	71.300	69.638
Social security charges	37.166	47.899
Other expenses	975.465	831.782
	1.609.117	1.410.691

2.3 Financial expenses and income

	2021	2020
	€	€
Interest income	5	188
Interest expense	(13.297)	(1.771)
Exchange rate differences	(38.854)	9.812
	(52.146)	8.229

The exchange rate differences are this year higher than last year due to the increase in production volume in USD and the fluctuations in exchange rates. Going forward the Company will look for more hedging instruments provided by the house bank.

2.4 Average number of employees

During the year 2021, the average number of employees, based on full-time equivalents, was 57 (2020: 61). Of these employees 6 were employed outside the Netherlands (2020: 5). Underneath scheme will provide an overview of the deployment of these employees over the various departments of our company.

Average number of employees 2021

	Active within the Netherlands	Active outside the Netherlands	Total
Management	4		4
Warehouse and backoffice	11		11
Sales and supporting functions	12	6	18
R&D, operational & technical support	20		20
Finance	3		3
HR	1		1
Average number of employees	51	6	57

Average number of employees 2020

	Active within the Netherlands	Active outside the Netherlands	Total
Management	4		4
Warehouse and backoffice	11		11
Sales and supporting functions	14	5	19
R&D, operational & technical support	23		23
Finance	3		3
HR	1		1
Average number of employees	56	5	61

2.5 Tax on result

The income tax expense of € 26.669 can be broken down as follows:

	2021
Result before taxation	**(106.677)**
Non-deductible expenses for tax purposes	(0)
Taxable amount	**(106.677)**
Tax amount	26.669
Taxation according to profit and loss	**26.669**

The applicable tax rate is based on the relative proportion of the group companies' contribution to profit and the tax rates ruling in the Netherlands. There are no significant changes as a result of the change in tax rate.

Effective tax rate is 25%.

The result of FY21 (80k) versus FY20 (563k) improved due to higher revenues, cost reductions, change in depreciation period and a shift from completed contract methodology to percentage of completion.

2.6 Remuneration of directors

The directors' remuneration has been omitted according to article 383 BW 2, Title 9, as this can be traced back to one single person.

2.7 Subsequent events

The war in Ukraine with its effects on transportation, economy and the further shortage of materials as well as the new lockdowns in China caused by COVID-19 with shipment blocked from China to Europe, will have impact on FY22 revenues. The first quarter we fell € 400k short on the targeted € 4 mio of revenue. A large project with a service provider that was projected to be completed in FY21 and in the reprojection was expected to be completed for 75% in Q1 FY22, could only be partially delivered with further delay in revenue taking. The backlog in order deliveries remained at approximately €5,5 mio and is increasing with the day.

As indicated under paragraph 1.9. and page 13 of the annual report the company renewed its credit facility with ABN AMRO and hired two consultants from JohnSon Corporate Finance to enlarge its working capital position which resulted so far in the arrangements as mentioned on page 3 of the annual report to enable future growth and face the cashflow challenges caused by supply chain and raw material issues ((full) prepayment of productions). As a result the company entered on December 2nd, 2022 into the following arrangements:

1) A factoring line of € 1.5 million with NL Factoring 360 BV for a term of 3 years at an interest rate of 3 months Euribor plus 3,85%;
2) An invoice discounting line of € 1.250.000,-- with NL Credit Services BV for a term of 3 years at a factorrate of 1,25%;
3) A revolving six months short term loan of € 350.000,-- with NL Venture Capital BV to finance 70% of creditor invoices at an interest rate of 12%

The above mentioned arrangements will become effective between February 15th and March 15th 2023. As security for these arrangements a pledge has been provided on account receivables (ABN AMRO will be taken out) and inventory in second line.

We have applied for the Dutch government assistance measures in postponing wages taxes and value added taxes in Q1 FY22.

How Covid-19 will further develop and the taken measures as a result of that cannot be predicted. For sure it will have an impact on our activities for the remainder of 2022.

Company financial statements

HIRSCHMANN MULTIMEDIA

Company balance sheet as at 31 December 2021
(after profit appropriation)

		31 December 2021		31 December 2020	
	Note	€	€	€	€
Assets					
Non-current assets					
Financial assets	3.1	1.977.868		2.073.269	
Deferred tax asset	3.2	897.377		861.084	
			2.875.245		2.934.353
Current assets					
Receivables		74.889		0	
Cash and cash equivalents		3.045		3.401	
			77.934		3.401
			2.953.179		2.937.754

	Note	31 December 2021		31 December 2020	
		€	€	€	€
Equity and liabilities					
Equity	3.3				
Share capital		12.600		12.600	
Legal and statutory reserves		1.094.622		781.165	
Other reserves		1.226.776		1.620.241	
			2.333.998		2.414.006
Current liabilities			619.181		523.748
			2.953.179		2.937.754

Company income statement for the year ended 31 December 2021

	2021	2020
	€	€
Share of (loss) associates	(95.400)	(616.125)
Company profit after tax	15.392	257.304
(Loss)/ for the year	(80.008)	(358.821)

Notes to the Company financial statements

General accounting principles for the preparation of the financial statements

The company-only financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Participations in group companies
Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Hirschmann Multimedia Holding B.V. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the Company fully or partly guarantees the liabilities of the associated Company concerned, or has the effective obligation respectively to enable the associated Company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated Company are taken into account.

Legal reserve for associated companies
The legal reserve for associated companies is formed in the amount of the share of Hirschmann Multimedia Holding B.V. in the results and direct increases of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Hirschmann Multimedia Holding B.V. cannot realize a distribution without limitations. The statutory reserve for associated companies is determined individually.

Events after the balance sheet date
No events occurred after the balance sheet date that are of any influence to the financial report.

Result from participations
The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Hirschmann Multimedia Holding B.V.

Notes to the specific items of the company-only balance sheet

3.1 Financial assets

Movements in financial assets can be broken down as follows:

	2021	2020
	€	€
At 1 January	2.073.269	2.698.884
Other changes in equity	0	(13.909)
Share in result of associated companies	(95.400)	(611.706)
At 31 December	1.977.868	2.073.269

3.2 Deferred tax asset

Recognised and deductible temporary differences and tax losses can be broken down as follows:

	2021	2020
	€	€
At 1 January	861.084	604.884
Deductible temporary differences	(75.786)	52.297
Deductible losses	112.079	203.903
At 31 December	897.377	861.084

	Settled in 1 year	Settled in 1-5 years
	€	€
Deductible temporary differences	0	0
Deductible losses	125.000	772.377
	125.000	772.377

3.3 Equity

Share capital

The authorised share capital of the Company as at 31 December 2021 amounts to € 90.000 and consists of 90.000 ordinary shares with a nominal value of € 1. Of these ordinary shares 12.600 have been issued.

Share capital

	2021	2020
	€	€
At 1 January	12.600	12.600
Capital redemption	0	0
at 31 December	12.600	12.600

Share premium

The shareholders paid up an amount of € 132.000 with respect to the 18.000 shares which have been issued. The share premium has been added to the other reserves.

Share premium

	2021	2020
	€	€
At 1 January	0	0
Addition to other reserves	0	0
at 31 December	0	0

Legal and statutory reserves

	2021	2020
	€	€
At 1 January	781.165	1.027.939
Capitalized costs	547.520	236.523
Reduction in amount capitalized	(234.063)	(483.297)
at 31 December	1.094.622	781.165

Other reserves

	2021	2020
	€	€
At 1 January	1.620.241	1.732.290
Dividend distribution	0	0
Increase debited from share premium	0	0
Capital redemption	0	0
Addition to legal and statutory reserves	(313.457)	246.772
Result for the year	(80.008)	(358.821)
at 31 December	1.226.776	1.620.241

Current Liabilities:

The fair value approximates the carrying amount.

Number of Employees.

There is one employee employed in Hirschmann Multimedia Holding B.V.

Contingent assets and liabilities

Tax group liability

Hirschmann Multimedia Holding BV. forms under the Dutch Collection of State Taxes Act an fiscal unity with her subsidiaries. Therefore Hirschmann Multimedia Holding B.V. is liable for any taxes payable by the tax group.

The financial statements of Hirschmann Multimedia Holding B.V. recognise a tax liability based on its profit for financial reporting purposes. Hirschmann Multimedia Holding B.V. settles its intercompany balances with Hirschmann Multimedia B.V. based on the profit for financial reporting purposes.

16-12-2022
Weesp, December 2nd, 2022
Hirschmann Multimedia Holding B.V.

The Management Board

Kroon Holding B.V.

D. Kroon

Drs. D.A.J. Kroon

Hirschmann Multimedia Holding B.V.
Landstraat 207
1404 JJ Bussum

Other information

Proposed appropriation of result

It is proposed to add the result for the year 2021 of € -80.008 (2020: € -562.723) to the other reserves. This proposal is already reflected in the financial statements.

HIRSCHMANN
MULTIMEDIA

Independent auditor's report