



ETK EMS Næstved A/S

Lunavej 6 6
4700 Næstved
CVR No. 20172800

Annual report 01.07.2023 - 30.06.2024

The Annual General Meeting adopted the
annual report on 19.12.2024

Christian Møller Christensen
Chairman of the General Meeting

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Entity details

Entity

ETK EMS Næstved A/S

Lunavej 6 6

4700 Næstved

Business Registration No.: 20172800

Registered office: Næstved

Financial year: 01.07.2023 - 30.06.2024

Board of Directors

Thomas Vinter

Torben Drejer

Christian Møller Christensen

Mille Lindskrog Knudsen

Kurt Bering Sørensen

Thomas Tvedergaard Larsen

Executive Board

Troels Hornsved

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of ETK EMS Næstved A/S for the financial year 01.07.2023 - 30.06.2024.

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 30.06.2024 and of the results of its operations for the financial year 01.07.2023 - 30.06.2024.

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.

Næstved, 19.12.2024

Executive Board

Troels Hornsved

Board of Directors

Thomas Vinter

Torben Drejer

Christian Møller Christensen

Mille Lindskrog Knudsen

Kurt Bering Sørensen

Thomas Tvedergaard Larsen

Independent auditor's report

To the shareholders of ETK EMS Næstved A/S

Opinion

We have audited the financial statements of ETK EMS Næstved A/S for the financial year 01.07.2023 - 30.06.2024, 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 30.06.2024 and of the results of its operations for the financial year 01.07.2023 - 30.06.2024 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Næstved, 19.12.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Marquart Alsen

State Authorised Public Accountant
Identification No (MNE) mne40040

Lena Lykkegård

State Authorised Public Accountant
Identification No (MNE) mne47836

Management commentary

Primary activities

The activities in year 2023/24 have, similar to previous years, consisted of production and trading of electronic components and equipment and relevant associated services.

Development in activities and finances

The income statement for the year ending June 30th, 2024, shows a profit for the year of DKK 498k.

We expected a challenging year with a softening of demand, and this has been the situation. During the latter part of the year several of the industries the company's customers operate in are impacted by an economic slowdown leading to lower demand, requests to postpone orders and customer de-stocking to secure liquidity as part of their risk mitigation.

Despite this slowdown the group has delivered positive cash flows.

In preparation for the annual audit misstatements and errors have been identified in the previous year's financial provisions for salary-, VAT-, inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total negative adjustment of DKK 2,5 mio. on equity.

Management does not consider the result of the financial 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 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss	1	18,119,651	22,707,708
Staff costs	2	(14,216,968)	(18,043,696)
Depreciation, amortisation and impairment losses		(904,989)	(902,263)
Operating profit/loss		2,997,694	3,761,749
Other financial income		2,572,905	4,847,724
Other financial expenses	3	(4,831,902)	(3,465,837)
Profit/loss before tax		738,697	5,143,636
Tax on profit/loss for the year	4	(240,881)	(54,000)
Profit/loss for the year		497,816	5,089,636
Proposed distribution of profit and loss			
Retained earnings		497,816	5,089,636
Proposed distribution of profit and loss		497,816	5,089,636

Balance sheet at 30.06.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Completed development projects		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		3,674,239	4,544,816
Leasehold improvements		211,196	81,489
Property, plant and equipment	6	3,885,435	4,626,305
Deposits		786,672	786,672
Financial assets	7	786,672	786,672
Fixed assets		4,672,107	5,412,977
Raw materials and consumables		20,737,264	35,951,651
Manufactured goods and goods for resale		459,231	1,255,115
Prepayments for goods		0	120,225
Inventories		21,196,495	37,326,991
Trade receivables		8,082,110	12,994,572
Receivables from group enterprises		9,309,146	0
Deferred tax		1,130,000	1,440,000
Other receivables		710,489	1,160,083
Joint taxation contribution receivable		69,119	0
Prepayments		162,095	397,123
Receivables		19,462,959	15,991,778
Cash		21,774	5,683,064
Current assets		40,681,228	59,001,833
Assets		45,353,335	64,414,810

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		3,505,000	3,505,000
Retained earnings		1,409,250	(9,088,566)
Equity		4,914,250	(5,583,566)
Lease liabilities		1,326,834	1,954,691
Other payables		2,194,058	2,058,463
Non-current liabilities other than provisions	8	3,520,892	4,013,154
Current portion of non-current liabilities other than provisions	8	579,990	789,185
Bank loans		21,757,888	8,430,848
Prepayments received from customers		5,979,169	2,380,857
Trade payables		3,609,025	10,474,790
Payables to group enterprises		3,093,331	39,158,266
Other payables		1,402,087	4,114,032
Deferred income		496,703	637,244
Current liabilities other than provisions		36,918,193	65,985,222
Liabilities other than provisions		40,439,085	69,998,376
Equity and liabilities		45,353,335	64,414,810
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2023/24

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	3,505,000	(6,542,328)	(3,037,328)
Corrections of material errors	0	(2,546,238)	(2,546,238)
Adjusted equity beginning of year	3,505,000	(9,088,566)	(5,583,566)
Group contributions etc.	0	10,000,000	10,000,000
Profit/loss for the year	0	497,816	497,816
Equity end of year	3,505,000	1,409,250	4,914,250

The Company had capital losses in the beginning of the financial year, but has reestablished its share capital and equity during the financial year through group contributions.

Notes

1 Gross profit/loss

Other operating income under gross profit/loss includes income of a secondary nature as viewed in relation to the Entity's primary activity, including profit from the sale of property, plant and equipment, and salary refunds.

2 Staff costs

	2023/24	2022/23
	DKK	DKK
Wages and salaries	12,804,359	16,476,354
Pension costs	1,160,527	1,252,322
Other social security costs	252,082	315,020
	14,216,968	18,043,696
Average number of full-time employees	30	37

3 Other financial expenses

	2023/24	2022/23
	DKK	DKK
Financial expenses from group enterprises	1,852,803	1,012,848
Other interest expenses	1,384,410	891,138
Exchange rate adjustments	1,594,689	1,341,851
Other financial expenses	0	220,000
	4,831,902	3,465,837

4 Tax on profit/loss for the year

	2023/24	2022/23
	DKK	DKK
Change in deferred tax	310,000	54,000
Refund in joint taxation arrangement	(69,119)	0
	240,881	54,000

5 Intangible assets

	Completed development projects DKK
Cost beginning of year	800,000
Cost end of year	800,000
Amortisation and impairment losses beginning of year	(800,000)
Amortisation and impairment losses end of year	(800,000)
Carrying amount end of year	0

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	13,741,291	3,558,704
Additions	0	231,498
Disposals	(179,238)	0
Cost end of year	13,562,053	3,790,202
Depreciation and impairment losses beginning of year	(9,196,475)	(3,477,215)
Depreciation for the year	(803,198)	(101,791)
Reversal regarding disposals	111,859	0
Depreciation and impairment losses end of year	(9,887,814)	(3,579,006)
Carrying amount end of year	3,674,239	211,196
Recognised assets not owned by entity	2,992,064	0

7 Financial assets

	Deposits DKK
Cost beginning of year	786,672
Cost end of year	786,672
Carrying amount end of year	786,672

8 Non-current liabilities other than provisions

	Due within 12 months 2023/24 DKK	Due within 12 months 2022/23 DKK	Due after more than 12 months 2023/24 DKK	Outstanding after 5 years 2023/24 DKK
Lease liabilities	579,990	789,185	1,326,834	0
Other payables	0	0	2,194,058	2,194,058
	579,990	789,185	3,520,892	2,194,058

9 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Liabilities under rental or lease agreements until maturity in total	4,559,000	3,130,908

10 Contingent liabilities

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

11 Assets charged and collateral

The following assets have been provided as collateral in favour of banks:

A floating charge of DKK 16,500k providing security on unsecured claims arising from the sale of goods and services, stocks of raw material, semi-finished and finished goods, goodwill, domain names and rights in accordance with the Danish Patents Act, the Danish Trademarks Act, the Danish Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (Topography), tools and operating equipment.

A mortgage registered to the owners/an all-moneys mortgage of DKK 8,000k providing security on operating equipment, operating material and goodwill in the enterprise located in leased premises at Lunavej 6, 4700 Næstved as well as leasehold rights.

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.

Material errors in previous years

During the audit of the 2023/24 financial statements, misstatements and errors have been identified in the previous year's financial provisions for salary-, VAT-, inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total adjustment of DKK 2,5 mio.

Comparison numbers have been adjusted accordingly and the effects are shown below;

Profit/loss for the year DKK 7,6m adjusted to DKK 5,1m.

Assets adjusted from DKK 63,3m to DKK 64,4m

Equity adjusted from DKK -3,1 to DKK -5,6m

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

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

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

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

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment 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, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly 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.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in

question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

	Useful life
Other fixtures and fittings, tools and equipment	5-8 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

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

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

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

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.