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Emporium Partners ApS

Hørskætten 18, 2630 Taastrup

CVR no. 27 17 48 92

Annual report for the period 1 July 2020 to 30 June 2021

Adopted at the annual general meeting on 10 December 2021

Carsten Helt
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Emporium Partners ApS for the financial year 1 July 2020 - 30 June 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2021 and of the results of the company's operations for the financial year 1 July 2020 - 30 June 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Taastrup, 10 December 2021

Executive board

Carsten Helt

Olof Patrik Nilsson

Independent auditor's report

To the shareholders of Emporium Partners ApS

Opinion

We have audited the financial statements of Emporium Partners ApS for the financial year 1 July 2020 - 30 June 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2021 and of the results of the company's operations for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor's responsibilities for the audit of the financial statements” section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 13 December 2021

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Henrik Ulvsgaard
State Authorised Public Accountant
MNE no. mne21318

Company details

The company	Emporium Partners ApS Hørskætten 18 2630 Taastrup	
	CVR no.:	27 17 48 92
	Reporting period:	1 July 2020 - 30 June 2021
	Incorporated:	22 May 2003
	Domicile:	Høje Taastrup
Executive board	Carsten Helt Olof Patrik Nilsson	
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby	

Management's review

Business review

The purpose of the company is to trade within electronic components.

Financial review

The company's income statement for the year ended 30 June 2021 shows a profit of DKK 22.810.335, and the balance sheet at 30 June 2021 shows equity of DKK 28.057.339.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 July - 30 June

	Note	2020/21	2019/20
		DKK	DKK
Gross profit		**17.314.414**	**3.162.727**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-546.873	-546.872
Profit/loss before net financials		**16.767.541**	**2.615.855**
Income from investments in subsidiares		12.723.869	270.338
Financial income	1	1.174.757	845.642
Financial costs	2	-4.706.135	-1.246.162
Profit/loss before tax		**25.960.032**	**2.485.673**
Tax on profit/loss for the year	3	-3.149.697	-775.492
Profit/loss for the year		**22.810.335**	**1.710.181**

Recommended appropriation of profit/loss

Proposed dividend for the year	15.000.000	2.000.000
Reserve for net revaluation under the equity method	8.685.631	19.187
Transferred to reserve for development expenditure	-17.200	-24.200
Retained earnings	-858.096	-284.806
	22.810.335	**1.710.181**

Balance sheet at 30 June 2021

	Note	2021	2020
		DKK	DKK
Assets			
Completed development projects		1.849.585	2.396.458
Intangible assets	4	**1.849.585**	**2.396.458**
Investments in subsidiaries	5	21.751.692	9.117.221
Fixed asset investments		**21.751.692**	**9.117.221**
Total non-current assets		**23.601.277**	**11.513.679**
Finished goods and goods for resale		3.864.343	2.580.096
Prepayments for goods		4.707.541	660.506
Stocks		**8.571.884**	**3.240.602**
Trade receivables		74.655.398	11.159.621
Receivables from subsidiaries		6.831.305	7.741.642
Other receivables		74.305	2.801.252
Prepayments		535.018	422.813
Receivables		**82.096.026**	**22.125.328**
Cash at bank and in hand		**8.181.678**	**2.193.378**
Total current assets		**98.849.588**	**27.559.308**
Total assets		**122.450.865**	**39.072.987**

Balance sheet at 30 June 2021

	Note	2021	2020
		DKK	DKK
Equity and liabilities			
Share capital		145.832	145.832
Reserve for net revaluation under the equity method		3.815.365	0
Reserve for development expenditure		68.800	86.000
Retained earnings		9.027.342	4.443.438
Proposed dividend for the year		15.000.000	2.000.000
Equity		**28.057.339**	**6.675.270**
Provision for deferred tax		524.613	806.318
Total provisions		**524.613**	**806.318**
Corporation tax		3.037.210	642.430
Total non-current liabilities		**3.037.210**	**642.430**
Trade payables		16.056.037	6.459.110
Payables to subsidiaries		42.535.127	20.991.299
Corporation tax		1.036.622	436.340
Other payables		30.944.401	2.231.705
Deferred income		259.516	830.515
Total current liabilities		**90.831.703**	**30.948.969**
Total liabilities		**93.868.913**	**31.591.399**
Total equity and liabilities		**122.450.865**	**39.072.987**
Contingent liabilities	6		

Statement of changes in equity

	Share capital	Reserve for net re-valuation under the equity method	Reserve for developme nt expendit ure	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July 2020	145.832	0	86.000	4.443.438	2.000.000	6.675.270
Ordinary dividend paid	0	0	0	0	-2.000.000	-2.000.000
Exchange adjustment, foreign	0	571.734	0	0	0	571.734
Net profit/loss for the year	0	8.685.631	-17.200	-858.096	15.000.000	22.810.335
Distributed dividends from investments in subsidaries	0	-5.442.000	0	5.442.000	0	0
Equity at 30 June 2021	**145.832**	**3.815.365**	**68.800**	**9.027.342**	**15.000.000**	**28.057.339**

Notes

		2020/21	2019/20
		DKK	DKK
1	**Financial income**		
	Interest received from subsidiaries	46.562	470.481
	Other financial income	1.128.195	375.161
		1.174.757	**845.642**
2	**Financial costs**		
	Interest paid to subsidiaries	350.946	351.800
	Other financial costs	4.355.189	894.362
		4.706.135	**1.246.162**
3	**Tax on profit/loss for the year**		
	Current tax for the year	3.037.210	642.430
	Deferred tax for the year	-95.627	56.026
	Adjustment of tax concerning previous years	394.192	77.036
	Adjustment of deferred tax concerning previous years	-186.078	0
		3.149.697	**775.492**

Notes

4 Intangible assets

	Completed development projects
	DKK
Cost at 1 July 2020	5.638.726
Cost at 30 June 2021	5.638.726
AA|Impairment losses and amortisation at 1 July 2020	3.242.268
Depreciation for the year	546.873
AA|Impairment losses and amortisation at 30 June 2021	3.789.141
Carrying amount at 30 June 2021	**1.849.585**

Development projects consist of the development of an IT system and website.

Notes

	2021	2020
	DKK	DKK
5 Investments in subsidiaries		
Cost at 1 July 2020	2.975.791	2.975.791
Additions for the year	189.000	0
Cost at 30 June 2021	3.164.791	2.975.791
Revaluations at 1 July 2020	6.141.430	6.174.982
Exchange rate adjustments	572.187	-19.803
Share of profit/loss for the year	12.723.507	270.338
Dividend	0	-1.400.000
Investments with negative equity depreciated over receivables	-850.223	1.115.913
Revaluations at 30 June 2021	18.586.901	6.141.430
Carrying amount at 30 June 2021	**21.751.692**	**9.117.221**

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Emporium Partners Denmark ApS	Taastrup	100%
Emporium Partners Sweden AB	Sweden	100%
Emporium Partners USA Inc.	USA	80%
Emporium Partners Germany GmbH	Germany	80%
Emporium Partners HK Ltd.	Hong Kong	100%

Notes

6 Contingent liabilities

The company has announced a prohibition of pledging regarding the company's debtors related to the entered financing agreement. As of year 2020/21 the security amounts to DKK 0.

The Company has received a claim from a US company of USD 4.9 million related to sales of goods. The Company is represented by the law firm of Emporium Partners insurance company. The Company has taken out insurance cover for ingredient and component damage with an insurance sum of DKK 10 million, and for ingredient and component losses of DKK 1 million. It is the insurance company's laywers assessment on the available basis that there is a limited risk in the case and that the case should not burden the Company financially.

The Entity participates in a Danish joint taxation arrangement in which PNC Holding 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 withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Accounting policies

The annual report of Emporium Partners ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

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

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Accounting policies

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3-10 years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years

Investments in subsidiaries

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries, associates and participating interests are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Emporium Partners ApS is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.