



ETK EMS Sønderborg A/S

Augustenborg Landevej 7
6400 Sønderborg
CVR No. 39924595

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 Sønderborg A/S
Augustenborg Landevej 7
6400 Sønderborg

Business Registration No.: 39924595
Registered office: Sønderborg
Financial year: 01.07.2023 - 30.06.2024

Board of Directors

Thomas Vinter
Torben Drejer
Christian Møller Christensen
Kurt Bering Sørensen
Mille Lindsprog Knudsen
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 Sønderborg 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.

Sønderborg, 19.12.2024

Executive Board

Troels Hornsved

Board of Directors

Thomas Vinter

Torben Drejer

Christian Møller Christensen

Kurt Bering Sørensen

Mille Lindskrog Knudsen

Thomas Tvedergaard Larsen

Independent auditor's report

To the shareholders of ETK EMS Sønderborg A/S

Opinion

We have audited the financial statements of ETK EMS Sønderborg 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.

Aarhus, 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 EUR 419k. The equity is EUR 825k.

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 have been 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.

In preparation for the annual audit misstatements and errors have been identified in the previous year's financial provisions for inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total adjustment of EUR 224k.

Management considers 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 EUR	2022/23 EUR
Gross profit/loss	1	1,570,084	2,130,408
Staff costs	2	(1,345,993)	(1,127,133)
Depreciation, amortisation and impairment losses		(6,732)	(29,217)
Operating profit/loss		217,359	974,058
Other financial income	3	337,446	265,004
Other financial expenses		(77,957)	(90,401)
Profit/loss before tax		476,848	1,148,661
Tax on profit/loss for the year	4	(58,182)	(294,196)
Profit/loss for the year		418,666	854,465
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	3,588,710
Retained earnings		418,666	(2,734,245)
Proposed distribution of profit and loss		418,666	854,465

Balance sheet at 30.06.2024

Assets

	Notes	2023/24 EUR	2022/23 EUR
Goodwill		14,294	17,654
Intangible assets	5	14,294	17,654
Other fixtures and fittings, tools and equipment		42,474	2,392
Property, plant and equipment	6	42,474	2,392
Deposits		41,873	4,705
Financial assets		41,873	4,705
Fixed assets		98,641	24,751
Raw materials and consumables		1,560,918	1,304,980
Work in progress		127,592	136,716
Manufactured goods and goods for resale		360,797	303,245
Prepayments for goods		16,089	46
Inventories		2,065,396	1,744,987
Trade receivables		1,214,713	793,990
Receivables from group enterprises		24,857	3,155,697
Deferred tax		115,591	90,013
Prepayments		2,573	0
Receivables		1,357,734	4,039,700
Cash		334,935	1,072,686
Current assets		3,758,065	6,857,373
Assets		3,856,706	6,882,124

Equity and liabilities

	Notes	2023/24	2022/23
		EUR	EUR
Contributed capital		67,240	67,240
Retained earnings		758,244	339,578
Proposed dividend		0	3,588,710
Equity		825,484	3,995,528
Joint taxation contribution payable		83,720	337,166
Non-current liabilities other than provisions	7	83,720	337,166
Bank loans		86,111	281,473
Prepayments received from customers		1,269,120	833,755
Trade payables		339,414	479,008
Payables to group enterprises		557,183	298,077
Joint taxation contribution payable		337,320	447,736
Other payables		358,354	209,381
Current liabilities other than provisions		2,947,502	2,549,430
Liabilities other than provisions		3,031,222	2,886,596
Equity and liabilities		3,856,706	6,882,124
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		

Statement of changes in equity for 2023/24

	Contributed capital EUR	Retained earnings EUR	Proposed dividend EUR	Total EUR
Equity beginning of year	67,240	563,654	3,588,710	4,219,604
Corrections of material errors	0	(224,076)	0	(224,076)
Adjusted equity beginning of year	67,240	339,578	3,588,710	3,995,528
Ordinary dividend paid	0	0	(3,588,710)	(3,588,710)
Profit/loss for the year	0	418,666	0	418,666
Equity end of year	67,240	758,244	0	825,484

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
	EUR	EUR
Wages and salaries	1,192,669	1,011,228
Pension costs	120,245	90,334
Other social security costs	33,079	25,571
	1,345,993	1,127,133
Average number of full-time employees	23	21

3 Other financial income

	2023/24	2022/23
	EUR	EUR
Financial income from group enterprises	130,838	87,167
Other interest income	1,884	(88)
Exchange rate adjustments	204,724	177,925
	337,446	265,004

4 Tax on profit/loss for the year

	2023/24	2022/23
	EUR	EUR
Current tax	83,720	337,320
Change in deferred tax	(25,538)	(56,183)
Adjustment concerning previous years	0	13,059
	58,182	294,196

5 Intangible assets

	Goodwill
	EUR
Cost beginning of year	33,620
Cost end of year	33,620
Amortisation and impairment losses beginning of year	(15,966)
Amortisation for the year	(3,360)
Amortisation and impairment losses end of year	(19,326)
Carrying amount end of year	14,294

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	EUR
Cost beginning of year	178,304
Additions	43,454
Cost end of year	221,758
Depreciation and impairment losses beginning of year	(175,912)
Depreciation for the year	(3,372)
Depreciation and impairment losses end of year	(179,284)
Carrying amount end of year	42,474

7 Non-current liabilities other than provisions

	Due after more than 12 months
	2023/24
	EUR
Joint taxation contribution payable	83,720
	83,720

8 Unrecognised rental and lease commitments

	2023/24	2022/23
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	335,000	575,000

9 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.

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 inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total adjustment of EUR 224k.

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

Profit/loss for the year EUR 981k adjusted to EUR 854k.

Assets adjusted from EUR 6,4m to EUR 6,9m

Equity adjusted from EUR 4,2 to EUR 4,0m

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 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 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**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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

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

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

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.

Joint taxation contributions payable or receivable

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