

Euromic A/S
Theilgaards Torv 1 B, 4600 Køge

Company reg. no. 14 12 42 09

Annual report
1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 25 April 2023.

Wai Lan Yau
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Euromic A/S for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Køge, 24 April 2023

Managing Director

Wai Lan Yau

Board of directors

Sun Ho Yu

Wai Lan Yau

Bent Drejer

Independent auditor's report

To the Shareholder of Euromic A/S

Opinion

We have audited the financial statements of Euromic A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. 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 financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' 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 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 judgment and maintain professional skepticism 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.

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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 24 April 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Carlsen

State Authorised Public Accountant
mne23451

Company information

The company

Euromic A/S
Theilgaards Torv 1 B
4600 Køge

Phone 56363400
Web site www.euromic.dk
E mail sales@euromic.dk

Company reg. no. 14 12 42 09
Established: 1 May 1990
Domicile:
Financial year: 1 January - 31 December
33rd financial year

Board of directors

Sun Ho Yu
Wai Lan Yau
Bent Drejer

Managing Director

Wai Lan Yau

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Sydbank
Arbejdernes Landsbank

Parent company

Mui Mui ApS

General meeting

Ordinary general meeting will be held on 25 April 2023 on the address of the company.

Financial highlights

DKK in thousands.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
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Income statement:

Gross profit	9.633	8.652	5.089
Profit from operating activities	3.725	3.428	153
Net financials	-498	-368	-35
Net profit or loss for the year	3.917	2.350	410

Statement of financial position:

Balance sheet total	20.611	14.002	8.470
Investments in property, plant and equipment	0	35	0
Equity	7.675	3.758	1.409

Employees:

Average number of full-time employees	8	7	8
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Key figures in %:

Acid test ratio	157,3	134,0	118,6
Solvency ratio	37,2	26,8	16,6
Return on equity	68,5	91,0	49,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management's review

The principal activities of the company

Like previous years, the activities are to operate in trading and agency activities with stationary and related products, partly on the basis of licence agreements entered into.

Unusual circumstances

It is the management's opinion that there are no unusual circumstances.

Uncertainties about recognition or measurement

It is the management's opinion that there are no uncertainties regarding recognition and measurement.

Development in activities and financial matters

The gross profit for the year totals DKK 9.633.000 against DKK 8.652.000 last year. Income or loss from ordinary activities after tax totals DKK 3.917.000 against DKK 2.350.000 last year. Management considers the net profit or loss for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	9.632.773	8.651.550
1 Staff costs	-5.898.326	-5.136.995
Depreciation and impairment of property, land, and equipment	-8.855	-9.789
Other operating expenses	-765	-76.611
Operating profit	3.724.827	3.428.155
2 Other financial costs	-497.532	-367.606
Pre-tax net profit or loss	3.227.295	3.060.549
Tax on net profit or loss for the year	689.361	-710.993
Net profit or loss for the year	3.916.656	2.349.556
Proposed distribution of net profit:		
Transferred to retained earnings	3.916.656	2.349.556
Total allocations and transfers	3.916.656	2.349.556

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
3	Other fixtures and fittings, tools and equipment	26.833	35.687
4	Investment property	40.000	40.000
	Total property, plant, and equipment	<u>66.833</u>	<u>75.687</u>
5	Other financial investments	102.972	102.972
6	Deposits	91.977	91.977
	Total investments	<u>194.949</u>	<u>194.949</u>
	Total non-current assets	<u>261.782</u>	<u>270.636</u>
Current assets			
	Manufactured goods and goods for resale	13.614.934	6.770.595
	Prepayments for goods	226.411	729.800
	Total inventories	<u>13.841.345</u>	<u>7.500.395</u>
	Trade receivables	3.886.489	2.894.487
	Deferred tax assets	1.381.226	691.627
	Other receivables	0	39.000
	Prepayments and accrued income	410.399	190.969
	Total receivables	<u>5.678.114</u>	<u>3.816.083</u>
	Cash on hand and demand deposits	<u>830.066</u>	<u>2.414.501</u>
	Total current assets	<u>20.349.525</u>	<u>13.730.979</u>
	Total assets	<u>20.611.307</u>	<u>14.001.615</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	3.490.605	3.490.605
Retained earnings	4.183.996	267.341
Total equity	<u>7.674.601</u>	<u>3.757.946</u>
Liabilities other than provisions		
Bank loans	2.211.018	2.041.291
Trade payables	3.670.266	1.901.058
Other payables	7.055.422	6.301.320
Total short term liabilities other than provisions	<u>12.936.706</u>	<u>10.243.669</u>
Total liabilities other than provisions	<u>12.936.706</u>	<u>10.243.669</u>
Total equity and liabilities	<u>20.611.307</u>	<u>14.001.615</u>

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	3.490.605	-2.082.216	1.408.389
Retained earnings for the year	0	2.349.556	2.349.556
Equity 1 January 2022	3.490.605	267.340	3.757.945
Retained earnings for the year	0	3.916.656	3.916.656
	3.490.605	4.183.996	7.674.601

Notes

All amounts in DKK.

	2022	2021
1. Staff costs		
Salaries and wages	5.673.837	4.935.547
Pension costs	33.976	28.151
Other costs for social security	190.513	173.297
	5.898.326	5.136.995
Average number of employees	8	7
2. Other financial costs		
Other financial costs	497.532	367.606
	497.532	367.606
	31/12 2022	31/12 2021
3. Other fixtures and fittings, tools and equipment		
Cost 1 January 2022	799.271	2.542.984
Additions during the year	0	35.000
Disposals during the year	0	-1.778.713
Cost 31 December 2022	799.271	799.271
Amortisation and writedown 1 January 2022	-763.584	-2.532.507
Amortisation and depreciation for the year	-8.854	-9.790
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	1.778.713
Amortisation and writedown 31 December 2022	-772.438	-763.584
Carrying amount, 31 December 2022	26.833	35.687
4. Investment property		
Cost 1 January 2022	40.000	40.000
Cost 31 December 2022	40.000	40.000
Carrying amount, 31 December 2022	40.000	40.000

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Other financial investments		
Cost 1 January 2022	102.972	0
Additions during the year	<u>0</u>	<u>102.972</u>
Cost 31 December 2022	<u>102.972</u>	<u>102.972</u>
 Carrying amount, 31 December 2022	 <u>102.972</u>	 <u>102.972</u>
 6. Deposits		
Cost 1 January 2022	<u>91.977</u>	<u>91.977</u>
Cost 31 December 2022	<u>91.977</u>	<u>91.977</u>
 Carrying amount, 31 December 2022	 <u>91.977</u>	 <u>91.977</u>

7. Contingencies

Joint taxation

With Mui Mui ApS, company reg. no 40015388 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 00.000.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Euromic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Investment property

Investments

Other financial instruments and equity investments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Accounting policies

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Euromic A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.