



**ETK EMS SKANDERBORG A/S**

Industrivej 45  
Stilling  
8660 Skanderborg

CVR no. 20 17 72 84

**ANNUAL REPORT FOR 2018/19**

**(23. Financial year)**

Adopted at the annual general  
meeting on  
26. november 2019

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Thomas Vinter  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of ETK EMS Skanderborg A/S for the financial year 1 July 2018 - 30 June 2019.

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 2019 and of the results of the company's operations and cash flows for the financial year 1 July 2018 - 30 June 2019.

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.

Stilling, 26 November 2019

### **Executive board**

Thomas Vinter  
President

### **Supervisory board**

Thomas Vinter

Torben Drejer

Steen Tygesen

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## INDEPENDENT AUDITOR'S REPORT

### *To the shareholders of ETK EMS Skanderborg A/S*

#### **Opinion**

We have audited the financial statements of ETK EMS Skanderborg A/S for the financial year 1 July 2018 - 30 June 2019, which comprise a summary of significant accounting policies, income statement, balance sheet, cash flow statement 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 2019 and of the results of the company's operations and cash flows for the financial year 1 July 2018 - 30 June 2019 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.

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## 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.

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## 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 Statements Act. We did not identify any material misstatement of management's review.

Skanderborg, 26 November 2019

### **ADVOISION**

statsautoriseret revisionspartnerselskab  
CVR no. 37 55 70 64

Ole Christensen  
State Authorised Public Accountant  
MNE no. mne3602

Henrik Hansen  
State Authorised Public Accountant  
MNE no. mne21336

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## COMPANY DETAILS

<b>The company</b>	ETK EMS Skanderborg A/S Industrivej 45 Stilling 8660 Skanderborg
	CVR no.: 20 17 72 84
	Reporting period: 1 July 2018 - 30 June 2019
	Domicile: Skanderborg
<b>Supervisory board</b>	Thomas Vinter Torben Drejer Steen Tygesen
<b>Executive board</b>	Thomas Vinter, President
<b>Auditors</b>	ADVOSION statsautoriseret revisionspartnerselskab Kristiansvej 13 8660 Skanderborg

## FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2018/19	2017/18	2016/17	2015/16	2014/15
	T.EUR	T.EUR	T.EUR	T.EUR	T.EUR
<b>Key figures</b>					
Gross profit/loss	5,528	4,542	4,947	4,812	5,007
Profit/loss before net financials	854	663	557	663	1,122
Profit/loss for the year	668	545	415	374	352
Balance sheet total	10,693	14,400	14,073	16,631	15,890
Equity	2,603	4,085	4,086	5,014	4,640
Number of employees	83	72	84	82	82
<b>Financial ratios</b>					
Return on assets	6.8%	4.7%	3.6%	4.1%	7.2%
Solvency ratio	24.3%	28.4%	29.0%	30.1%	29.2%
Return on equity	20.0%	13.3%	9.1%	7.7%	7.9%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



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## MANAGEMENT'S REVIEW

### Business activities

The year's activity, similar to previous years, has consisted of fabrication of and trading in electronic equipment and expertise concerning such.

### Business review

The company's income statement for the year ended 30 June shows a profit of EUR 667,866, and the balance sheet at 30 June 2019 shows equity of EUR 2,603,409.

### Financial review

In our 40 years anniversary financial year, 2018/19, ETK EMS Group did not only achieve to keep the growth level as previous years but actually to improve. For this financial year, the result exceeds the expectation of the shareholders.

The result for 2018/19 was budgeted to be in the area of 10-11% growth and the result ended by 29%, which is satisfactory for the Management. The expectation for the financial year 2019/20 is to continue to grow the result. After the result of the first quarter of financial year, 2019/20 the expectation is to reach a result minimum in the level of our previous 5 years.

The global EMS market have after several years with unstable supply chain of components reach into a much more stable situation where demand is matching the global availability. Growth in the market is still very fragmented as some industries are having effect of global political issues like Brexit, Trade wars and general unbalance, but other industries are seeing stable growth. Markets with high activity level is e.g. Medico, Food Quality management, Agriculture & Robotics.

### The year at a glance and follow-up on expectations expressed last year

In the financial year, 2018/19 ETK EMS acquired another EMS competitor in the Danish market. October 2018 we acquired Delfi Electronics, located in Sønderborg and the transformation into being part of the ETK EMS Group started immediately. Delfi Electronics had severe losses in the last years in business and it required significant changes both mentally but also in business systems to change this outcome in only few months. Already this financial year ETK EMS Sønderborg have participated into growing the financial result for ETK EMS Group. The shareholders are extraordinary proud of this performance.

One of our strategic goals is to be first mover of real digitalization in our EMS industry as well as in the Industry in general. In 2018/19, we have implemented several new internal systems that reduce the level of managerial interference and paperwork in the production areas. By these new systems, we have gained even more flexibility, agility and transparency around the organization. Besides having the already market proven ETK EMS Intelligence system upstream towards our customer base the next year will have several projects optimizing the present systems downstream to our supplier base. This high level of digitalization around the organization proved to be one of the key elements in transferring the new site in Sønderborg to be profitable in only very few months.

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## MANAGEMENT'S REVIEW

### **Description of non-financial conditions**

In September 2018, ETK EMS celebrated our 40th year's anniversary together with customers, suppliers and business partners. We are very thankful for the support all these parties have given our company during these years and we look forward to live up to both our own and their expectations for the years to come.

ETK EMS Group are committed to support the sustainable development goals set by UN not only by our own internal efforts to make a real difference but certainly also by given focus and support to the number of customers we have actually creating products supporting directly some of these 17 goals. This year one of our own CSR activities was to plant 400 mangrove trees in Thailand.

### **Significant events occurring after end of reporting period**

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

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## ACCOUNTING POLICIES

The annual report of ETK EMS Skanderborg A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning medium-sized reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018/19 is presented in EUR

### **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 instalments 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**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### **Revenue**

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

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## ACCOUNTING POLICIES

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

### **Raw materials and consumables**

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

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **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, financial expenses relating to finance leases, 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**

#### **Balance sheet**

##### **Tangible assets**

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

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.

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## ACCOUNTING POLICIES

Depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-8 years	0 %
Leasehold improvements	5 years	0 %

Assets costing less than EUR 1,849 are expensed in the year of acquisition.

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

### Receivables

Receivables are measured at amortised cost.

### 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.

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## ACCOUNTING POLICIES

### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

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

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

### Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

### Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

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## ACCOUNTING POLICIES

### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

### Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

## INCOME STATEMENT 1 JULY - 30 JUNE

	<u>Note</u>	<u>2018/19</u> EUR	<u>2017/18</u> EUR
<b>Gross profit</b>		<b>5,528,426</b>	<b>4,541,703</b>
Staff costs	1	<u>-4,576,549</u>	<u>-3,790,539</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>951,877</b>	<b>751,164</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-97,875</u>	<u>-88,492</u>
<b>Profit/loss before net financials</b>		<b>854,002</b>	<b>662,672</b>
Financial income	2	276,880	238,738
Financial costs	3	<u>-273,514</u>	<u>-202,386</u>
<b>Profit/loss before tax</b>		<b>857,368</b>	<b>699,024</b>
Tax on profit/loss for the year	4	<u>-189,502</u>	<u>-154,510</u>
<b>Profit/loss for the year</b>		<b><u>667,866</u></b>	<b><u>544,514</u></b>
Extraordinary dividend for the year		2,143,680	0
Retained earnings		<u>-1,475,814</u>	<u>544,514</u>
		<b><u>667,866</u></b>	<b><u>544,514</u></b>



## BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		160,855	137,748
Leasehold improvements		3,018	6,044
<b>Tangible assets</b>	5	<b><u>163,873</u></b>	<b><u>143,792</u></b>
Deposits		180,960	181,230
<b>Fixed asset investments</b>		<b><u>180,960</u></b>	<b><u>181,230</u></b>
<b>Total non-current assets</b>		<b><u>344,833</u></b>	<b><u>325,022</u></b>
Raw materials and consumables		3,067,697	2,708,826
Finished goods and goods for resale		2,156,390	1,063,845
<b>Stocks</b>		<b><u>5,224,087</u></b>	<b><u>3,772,671</u></b>
Trade receivables		2,885,066	3,058,575
Receivables from group entities		2,030,739	7,160,151
Other receivables		176,122	8,935
Deferred tax asset		31,717	30,923
Prepayments		181	138
<b>Receivables</b>		<b><u>5,123,825</u></b>	<b><u>10,258,722</u></b>
<b>Cash at bank and in hand</b>		<b><u>0</u></b>	<b><u>43,346</u></b>
<b>Total current assets</b>		<b><u>10,347,912</u></b>	<b><u>14,074,739</u></b>
<b>Total assets</b>		<b><u><u>10,692,745</u></u></b>	<b><u><u>14,399,761</u></u></b>

## BALANCE SHEET 30 JUNE

	Note	2019 EUR	2018 EUR
<b>Equity and liabilities</b>			
Share capital		179,533	179,801
Retained earnings		2,423,876	3,905,511
<b>Equity</b>	<b>6</b>	<b>2,603,409</b>	<b>4,085,312</b>
Banks		1,318,666	4,727,658
Trade payables		1,635,786	2,174,386
Payables to group entities		4,212,834	2,500,394
Corporation tax		190,341	156,113
Other payables		731,709	755,898
<b>Total current liabilities</b>		<b>8,089,336</b>	<b>10,314,449</b>
<b>Total liabilities</b>		<b>8,089,336</b>	<b>10,314,449</b>
<b>Total equity and liabilities</b>		<b>10,692,745</b>	<b>14,399,761</b>
Mortgages and collateral	7		
Related parties and ownership structure	8		

## CASH FLOW STATEMENT 1 JULY - 30 JUNE

	Note	2018/19 EUR	2017/18 EUR
Net profit/loss for the year		667,866	544,514
Adjustments	9	277,922	206,650
Change in working capital	10	<u>4,833,926</u>	<u>1,222,942</u>
<b>Cash flows from operating activities before financial income and expenses</b>		<b>5,779,714</b>	<b>1,974,106</b>
Interest income and similar income		276,880	238,738
Interest expenses and similar charges		<u>-273,514</u>	<u>-202,386</u>
<b>Cash flows from ordinary activities</b>		<b>5,783,080</b>	<b>2,010,458</b>
Corporation tax paid		<u>-156,068</u>	<u>-156,113</u>
<b>Cash flows from operating activities</b>		<b>5,627,012</b>	<b>1,854,345</b>
Purchase of property, plant and equipment		<u>-117,686</u>	<u>-49,057</u>
<b>Cash flows from investing activities</b>		<b>-117,686</b>	<b>-49,057</b>
Dividend paid		<u>-2,143,680</u>	<u>-537,880</u>
<b>Cash flows from financing activities</b>		<b>-2,143,680</b>	<b>-537,880</b>
<b>Change in cash and cash equivalents</b>		<b>3,365,646</b>	<b>1,267,408</b>
Cash at bank and in hand		43,346	86,668
Overdraft facility		<u>-4,727,658</u>	<u>-6,038,388</u>
Cash and cash equivalents		<u>-4,684,312</u>	<u>-5,951,720</u>
<b>Cash and cash equivalents</b>		<b>-1,318,666</b>	<b>-4,684,312</b>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		0	43,346
Overdraft facility		<u>-1,318,666</u>	<u>-4,727,658</u>
<b>Cash and cash equivalents</b>		<b>-1,318,666</b>	<b>-4,684,312</b>

## NOTES

	2018/19 EUR	2017/18 EUR
<b>1 Staff costs</b>		
Wages and salaries	4,176,659	3,452,241
Pensions	321,072	272,240
Other social security costs	78,818	66,058
	<b>4,576,549</b>	<b>3,790,539</b>
	83	72
<b>2 Financial income</b>		
Interest received, group entities	249,838	209,781
Other financial income	27,042	28,957
	<b>276,880</b>	<b>238,738</b>
<b>3 Financial costs</b>		
Financial expenses, group entities	176,873	89,381
Other financial costs	96,641	113,005
	<b>273,514</b>	<b>202,386</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	190,341	156,113
Deferred tax for the year	-839	-1,603
	<b>189,502</b>	<b>154,510</b>

## NOTES

### 5 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold im- provements
Cost at 1 July 2018	2,504,069	15,112
Exchange adjustment	-3,732	-22
Additions for the year	118,169	0
Disposals for the year	-19,360	0
Cost at 30 June 2019	<u>2,599,146</u>	<u>15,090</u>
Impairment losses and depreciation at 1 July 2018	2,366,321	9,068
Exchange adjustment	-3,527	-14
Depreciation for the year	91,832	3,018
Reversal of impairment and depreciation of sold assets	-16,335	0
Impairment losses and depreciation at 30 June 2019	<u>2,438,291</u>	<u>12,072</u>
<b>Carrying amount at 30 June 2019</b>	<b><u>160,855</u></b>	<b><u>3,018</u></b>

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## NOTES

### 6 Equity

	Share capital	Retained earnings	Proposed extraordinary dividend	Total
Equity at 1 July 2018	179,801	3,905,511	0	4,085,312
Exchange adjustments	-268	-5,821	0	-6,089
Extraordinary dividend paid	0	0	-2,143,680	-2,143,680
Net profit/loss for the year	0	-1,475,814	2,143,680	667,866
<b>Equity at 30 June 2019</b>	<b>179,533</b>	<b>2,423,876</b>	<b>0</b>	<b>2,603,409</b>

### 7 Mortgages and collateral

A company mortgage has been established for EUR 2 million to the benefit of financial institutions. A general floating charge has also been established as security for bank debt of ETK EMS Frederikssund A/S.

The company has entered into a financial leasing contract concerning the leasing of plant and machinery. The leasing commitment comprises in total EUR 517.699.

The company is jointly and severally liable for tax on consolidated taxable income and dividend tax. The total amount of income tax payable etc. is shown in the annual report for Javitek ApS, which is the management company in relation to the joint taxation.

The company has issued a payment guarantee of EUR 66,990 in favour of a trading partner.

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## NOTES

### 8 Related parties and ownership structure

#### Controlling interest

Closely related parties with determining influence comprise the parent company of ETK EMS Group ApS, Industrivej 45, Stilling, DKK-8660 Skanderborg and Javitek ApS, Karlslundvej 7, DKK-8330 Beder, which prepares the group accounts on which ETK EMS Skanderborg A/S is included as a subsidiary.

#### Other related parties

Closely related parties with significant influence comprise ETK EMS Properties ApS, Hakuna Matata ApS, ETK EMS Frederikssund A/S and ETK EMS Asia Produktions Ltd. as well as the boards and senior management.

### 9 Cash flow statement - adjustments

	2018/19	2017/18
	EUR	EUR
Financial income	-276,880	-238,738
Financial costs	273,514	202,386
Depreciation, amortisation and impairment losses	97,875	88,492
Tax on profit/loss for the year	189,502	154,510
Other adjustments	-6,089	0
	<u><b>277,922</b></u>	<u><b>206,650</b></u>

### 10 Cash flow statement - change in working capital

Change in inventories	-1,451,416	-464,685
Change in receivables	5,135,691	50,198
Change in trade payables, etc.	1,149,651	1,637,429
	<u><b>4,833,926</b></u>	<u><b>1,222,942</b></u>

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

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## Henrik Hansen

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## Thomas Vinter

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