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Emporium Partners ApS
Hørskætten 18
2630 Taastrup
Central Business Registration No
27174892

Annual report 2017/18

The Annual General Meeting adopted the annual report on 30.11.2018

Chairman of the General Meeting

Name: Carsten Helt

Contents

Entity details

Entity
Emporium Partners ApS
Hørskætten 18
2630 Taastrup

Central Business Registration No: 27174892
Registered in: Taastrup
Financial year: 01.07.2017 - 30.06.2018

Executive Board
Carsten Helt
Olof Patrik Nilsson

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Emporium Partners ApS for the financial year 01.07.2017 - 30.06.2018.

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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018.

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.

Taastrup, 30.11.2018

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 01.07.2017 - 30.06.2018, 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 30.06.2018 and of the results of its operations for the financial year 01.07.2017 - 30.06.2018 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 of 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 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:

Independent auditor's report

- 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 under the Danish Financial Statements Act.

Independent auditor's report

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.11.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bill Haudal Pedersen
State Authorised Public Accountant
Identification number (MNE) mne30131

Management commentary

Primary activities

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

Development in activities and finances

The company result for 2017/18 is considered satisfactory.

Outlook

Whilst we are expecting a market at the same level as this year, increases in revenue and expanding profitability remain our top priorities and we will be executing against and investing in TI, people and operations to achieve these goals. .

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 2017/18

	Notes	2017/18 DKK'000	2016/17 DKK'000
Gross profit		**10.064**	**5.185**
Staff costs		(6.230)	(4.578)
Depreciation, amortisation and impairment losses		(604)	(594)
Operating profit/loss		**3.230**	**13**
Income from investments in group enterprises		5.091	1.306
Other financial income	1	1.930	1.152
Other financial expenses	2	(2.761)	(1.638)
Profit/loss before tax		**7.490**	**833**
Tax on profit/loss for the year	3	(734)	89
Profit/loss for the year		**6.756**	**922**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		5.000	1.000
Transferred to reserve for net revaluation according to the equity method		978	1.305
Retained earnings		778	(1.383)
		6.756	**922**

Balance sheet at 30.06.2018

	Notes	2017/18 DKK'000	2016/17 DKK'000
Completed development projects		3.491	4.038
Acquired intangible assets		32	89
Intangible assets	4	**3.523**	**4.127**
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	5	**0**	**0**
Investments in group enterprises		14.959	9.391
Fixed asset investments	6	**14.959**	**9.391**
Fixed assets		**18.482**	**13.518**
Manufactured goods and goods for resale		722	732
Inventories		**722**	**732**
Trade receivables		21.527	15.795
Receivables from group enterprises		3.994	3.883
Other receivables		748	544
Prepayments		41	164
Receivables		**26.310**	**20.386**
Cash		**1.563**	**1.527**
Current assets		**28.595**	**22.645**
Assets		**47.077**	**36.163**

Balance sheet at 30.06.2018

	Notes	2017/18 DKK'000	2016/17 DKK'000
Contributed capital	7	146	146
Reserve for net revaluation according to the equity method		995	0
Reserve for development expenditure		142	159
Retained earnings		3.659	3.416
Proposed dividend		5.000	1.000
Equity		**9.942**	**4.721**
Deferred tax		751	628
Provisions		**751**	**628**
Trade payables		9.709	13.382
Payables to group enterprises		24.491	17.020
Joint taxation contribution payable		611	0
Other payables		1.573	412
Current liabilities other than provisions		**36.384**	**30.814**
Liabilities other than provisions		**36.384**	**30.814**
Equity and liabilities		**47.077**	**36.163**
Contingent liabilities	8		
Mortgages and securities	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2017/18

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000
Equity beginning of year	146	0	159	3.416
Ordinary dividend paid	0	0	0	0
Exchange rate adjustments	0	17	0	(552)
Transfer to reserves	0	0	(17)	17
Profit/loss for the year	0	978	0	778
Equity end of year	**146**	**995**	**142**	**3.659**

	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	1.000	4.721
Ordinary dividend paid	(1.000)	(1.000)
Exchange rate adjustments	0	(535)
Transfer to reserves	0	0
Profit/loss for the year	5.000	6.756
Equity end of year	**5.000**	**9.942**

Notes

	2017/18 DKK'000	2016/17 DKK'000
1. Other financial income		
Financial income arising from group enterprises	330	341
Other financial income	1.600	811
	1.930	**1.152**

	2017/18 DKK'000	2016/17 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	338	300
Interest expenses	238	195
Other financial expenses	2.185	1.143
	2.761	**1.638**

	2017/18 DKK'000	2016/17 DKK'000
3. Tax on profit/loss for the year		
Tax on current year taxable income	611	0
Change in deferred tax for the year	(68)	(89)
Adjustment concerning previous years	191	0
	734	**(89)**

	Completed develop-ment projects DKK'000	Acquired intangible assets DKK'000
4. Intangible assets		
Cost beginning of year	5.469	1.032
Cost end of year	**5.469**	**1.032**
Amortisation and impairment losses beginning of year	(1.431)	(943)
Amortisation for the year	(547)	(57)
Amortisation and impairment losses end of year	**(1.978)**	**(1.000)**
Carrying amount end of year	**3.491**	**32**

Notes

	Other fixtures and fittings, tools and equipment DKK'000
5. Property, plant and equipment	
Cost beginning of year	163
Cost end of year	**163**
Depreciation and impairment losses beginning of the year	(163)
Depreciation and impairment losses end of the year	**(163)**
Carrying amount end of year	**0**

	Investments in group enterprises DKK'000
6. Fixed asset investments	
Cost beginning of year	2.546
Additions	430
Cost end of year	**2.976**
Revaluations beginning of year	6.845
Exchange rate adjustments	17
Share of profit/loss for the year	5.091
Investments with negative equity depreciated over receivables	30
Revaluations end of year	**11.983**
Carrying amount end of year	**14.959**

Investment in group enterprises comprise:
Emporium Partners Denmark ApS, Taastrup, 100 %
Emporium Partners Sweden AB, Sweden, 100 %
Emporium Partners Pte. Ltd., Singapore, 100 %
Emporium Partners USA Inc., USA, 80 %
Emporium Partners Germany GmbH, Germany 80 %

Notes

	Number	Par value DKK'000	Nominal value DKK'000
7. Contributed capital			
Share Capital	146	1	146
	146		**146**

The share capital consists of 154.832 shares at DKK 1. The shares have not been divided into classes. There have been no changes in share capital in the past 5 years.

8. Contingent liabilities

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 from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the 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.

9. Mortgages and securities

The Parent has entered into a credit hedgin arrangement relating to the Parent’s trade receivables. The Parent has also entered into a financial agreement secured on the Parent’s trade receivables.

10. Related parties with controlling interest

PNC Holding ApS, Taastrup, Denmark, owns all of the shares in the company and has controlling interest in the company.

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 certain provisions for reporting class C.

With the exception of the changes mentioned below, the accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements
This year, the Company has decided to apply the exemption clause in section 110 of the Danish Financial Statements Act, for which reason no consolidated financial statements have been prepared.

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.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Accounting policies

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

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

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary 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 as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Accounting policies

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as 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 losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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 and foreign subsidiaries. The current income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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

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

Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	3 years

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

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these en-terprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is normally 5 years, however in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is consideres to give a better reflection of the benefit from the relevant ressources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Accounting policies

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

Cost consists of purchase price plus delivery costs.

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.

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. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

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

Income tax receivable or payable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax