

Emporium Partners ApS

Hørskættø 18, 2630 Taastrup

CVR no. 27 17 48 92

**Annual report for the period
1 July 2018 to 30 June 2019**

Adopted at the annual general meeting on 20
December 2019

Carsten Helt
chairman



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Statement by management on the annual report

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

Taastrup, 20 December 2019

Executive board

Carsten Helt

Olof Patrik Nilsson

Independent auditor's report

To the shareholders of Emporium Partners ApS

Opinion

We have audited the financial statements of Emporium Partners ApS for the financial year 1 July 2018 - 30 June 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 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.

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

Copenhagen, 20 December 2019

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Henrik Ulvsgaard
State Authorised Public Accountant
MNE no. mne21318

Company details

The company

Emporium Partners ApS
Hørskæften 18
2630 Taastrup

CVR no.: 27 17 48 92

Reporting period: 1 July 2018 - 30 June 2019

Incorporated: 22. May 2003

Domicile: Høje Taastrup

Executive board

Carsten Helt
Olof Patrik Nilsson

Auditors

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
Poul Bundgaards Vej 1, 1.
2500 Valby

Management's review

Business activities

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

Business review

The company's income statement for the year ended 30 June shows a loss of DKK 49.105, and the balance sheet at 30 June 2019 shows equity of DKK 4.984.278.

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.

Income statement 1 July - 30 June

	Note	2018/19 DKK	2017/18 DKK
Gross profit		7.473.571	10.063.181
Staff costs	1	-5.126.448	-6.230.377
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-579.929	-603.540
Profit/loss before net financials		1.767.194	3.229.264
Income from investments in subsidiaries		-1.342.877	5.090.990
Financial income	2	1.247.434	1.930.428
Financial costs	3	-1.362.200	-2.760.922
Profit/loss before tax		309.551	7.489.760
Tax on profit/loss for the year	4	-358.656	-734.172
Profit/loss for the year		-49.105	6.755.588
Recommended appropriation of profit/loss			
Proposed dividend for the year		0	5.000.000
Reserve for net revaluation under the equity method		5.913.436	978.000
Retained earnings		-5.962.541	777.588
		-49.105	6.755.588

Balance sheet 30 June

	Note	2019 DKK	2018 DKK
Assets			
Completed development projects		2.943.330	3.522.257
Intangible assets	5	2.943.330	3.522.257
Investments in subsidiaries	6	9.150.773	14.958.707
Fixed asset investments		9.150.773	14.958.707
Total fixed assets		12.094.103	18.480.964
Finished goods and goods for resale		1.898.297	722.693
Stocks		1.898.297	722.693
Trade receivables		8.950.443	21.527.070
Receivables from subsidiaries		6.421.437	3.994.000
Other receivables		67.171	748.000
Prepayments		479.483	40.701
Receivables		15.918.534	26.309.771
Cash at bank and in hand		2.064.907	1.563.663
Current assets total		19.881.738	28.596.127
Assets total		31.975.841	47.077.091

Balance sheet 30 June

	Note	2019 DKK	2018 DKK
Equity and liabilities			
Share capital		145.832	145.832
Reserve for net revaluation under the equity method		0	995.155
Reser for development expenditure		110.200	142.000
Retained earnings		4.728.246	3.658.988
Proposed dividend for the year		0	5.000.000
Equity		4.984.278	9.941.975
Provision for deferred tax		750.292	750.940
Total provisions		750.292	750.940
Corporation tax		359.304	611.290
Total non-current liabilities		359.304	611.290
Trade payables		4.702.540	9.709.114
Payables to subsidiaries		19.687.622	24.490.772
Corporation tax		611.290	0
Other payables		231.483	1.573.000
Deferred income		649.032	0
Total current liabilities		25.881.967	35.772.886
Debt total		26.241.271	36.384.176
Liabilities and equity total		31.975.841	47.077.091
Contingencies, etc.	7		

Statement of changes in equity

	Share capital	Reserve for net re- valuation under the equity method	Reser for developme nt expendit ure	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	145.832	995.156	142.000	3.658.987	5.000.000	9.941.975
Ordinary dividend paid	0	0	0	0	-5.000.000	-5.000.000
Exchange adjustment, foreign	0	14.248	0	0	0	14.248
Transfers, reserves	0	0	-31.800	31.800	0	0
Net profit/loss for the year	0	5.990.596	0	-5.962.541	0	28.055
Distributed dividends from investments in subsidiaries	0	-7.000.000	0	7.000.000	0	0
Equity at 30 June	145.832	0	110.200	4.728.246	0	4.984.278

Notes

	2018/19 DKK	2017/18 DKK
1 Staff costs		
Wages and salaries	5.045.950	6.063.812
Other staff costs	80.498	166.565
	5.126.448	6.230.377
 Average number of employees	 6	 6
2 Financial income		
Interest received from subsidiaries	416.898	329.910
Other financial income	830.536	1.600.518
	1.247.434	1.930.428
3 Financial costs		
Interest paid to subsidiaries	468.544	338.708
Other financial costs	893.656	2.422.214
	1.362.200	2.760.922
4 Tax on profit/loss for the year		
Current tax for the year	359.304	611.290
Deferred tax for the year	-648	-67.720
Adjustment of tax concerning previous years	0	190.602
	358.656	734.172

Notes

5 Intangible assets

	Completed development projects DKK
Cost at 1 July	5.638.726
Cost at 30 June	5.638.726
Impairment losses and amortisation at 1 July	2.115.467
Depreciation for the year	579.929
Impairment losses and amortisation at 30 June	2.695.396
Carrying amount at 30 June	2.943.330

Notes

	2019 DKK	2018 DKK
6 Investments in subsidiaries		
Cost at 1 July	2.975.707	2.545.707
Additions for the year	84	430.000
Cost at 30 June	2.975.791	2.975.707
Revaluations at 1 July	11.983.000	6.845.000
Exchange rate adjustments	14.702	17.000
Share of profit/loss for the year	-1.342.877	5.091.000
Dividend	-7.000.000	0
Investments with negative equity depreciated over receivables	2.520.157	30.000
Revaluations at 30 June	6.174.982	11.983.000
Carrying amount at 30 June	9.150.773	14.958.707

Investments in subsidiaries are specified as follows:

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

Notes

7 Contingencies, etc.

In the 2018/19 financial year, the company received a claim from a customer demanding payment of DKK 2.4 million, plus process interest. The management is of the opinion that the entire claim is unjustified, and that the company's liability is maximized at the purchase price of the sold item, corresponding to EUR 89,000 (plus process interest). Management believes that the company has a good case and cannot be held responsible in any respect.

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.

Accounting policies

The annual report of Emporium Partners ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

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

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.

Accounting policies

Revenue

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

Expenses for raw materials and consumables

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

Andre driftsindtægter

Andre driftsindtægter indeholder regnskabsposter af sekundær karakter i forhold til virksomhedernes aktiviteter, herunder fortjeneste ved salg af immaterielle og materielle anlægsaktiver.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises 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, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

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

Accounting policies

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

Balance sheet

Intangible assets

Development projects

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

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

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

Tangible assets

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

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

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

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

Other fixtures and fittings, tools and equipment	3	years
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Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Accounting policies

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

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

Acquisitions are accounted for using the purchase method, cf. the above description of the statement of goodwill.

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.

Liabilities

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