

## **Emporium Partners ApS**

Hørskættens 18, 2630 Taastrup

**CVR no. 27 17 48 92**

**Annual report for the period  
1 July 2021 to 30 June 2022**

Adopted at the annual general meeting on 8  
December 2022



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Ole de Neergaard  
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 2021 - 30 June 2022.

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 2022 and of the results of the company's operations for the financial year 1 July 2021 - 30 June 2022.

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, 8 December 2022

### 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 2021 - 30 June 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 2022 and of the results of the company's operations for the financial year 1 July 2021 - 30 June 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' 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 and 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 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

## Independent auditor's report

### 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.

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, 8 December 2022

**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 Hørskættø 18 2630 Taastrup
	CVR no.: 27 17 48 92
	Reporting period: 1 July 2021 - 30 June 2022
	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
Consolidated financial statements	The company is reflected in the group report as the parent company PNC Holding ApS.  The group report of can be obtained at the following address: <a href="http://www.cvr.dk">www.cvr.dk</a>
General meeting	The annual general meeting is held at the company's address on 16 November 2022.

## Financial highlights

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

	2021/22	2020/21	2019/20	2018/19	2017/18
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	1.082.007	211.110	79.478	75.199	6.743
Gross profit	83.655	17.314	3.163	2.347	10.063
Profit/loss before net financials	81.854	16.768	2.616	1.767	3.229
Net financials	98.763	9.192	-130	-1.267	4.260
Profit/loss for the year	161.176	22.810	1.710	-49	6.756
<b>Balance sheet</b>					
Equity	172.018	28.057	6.675	4.984	9.942
Number of employees	3	0	0	0	0
<b>Financial ratios</b>					
Gross margin	7,7%	8,2%	4,0%	3,1%	149,2%
EBIT margin	7,6%	7,9%	3,3%	2,3%	47,9%
Return on assets	36,3%	22,0%	8,4%	4,5%	13,7%
Solvency ratio	52,4%	22,9%	22,2%	15,6%	21,2%
Return on equity	161,1%	131,3%	29,3%	-0,7%	135,9%

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..



## Management's review

### Business review

The company has two main activities:

- Trade within electronic components sold worldwide through subsidiaries in Denmark, Sweden, Germany, Hong Kong, and the USA.

### Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### Unusual matters

The company's financial position at 30 June 2022 and the results of its operations for the financial year ended 30 June 2022 are not affected by any unusual matters.

### Financial review

The company's income statement for the year ended 30 June 2022 shows a profit of DKK 161.175.646, and the balance sheet at 30 June 2022 shows equity of DKK 172.017.651.

It has been chosen to omit a segment breakdown of the net turnover, as it is assessed that providing this information could cause significant competitive damage, partly because none of the company's competitors provides similar information.

The general shortage situation in the market for electronic components has resulted in an advantageous market position for the company.

The company have managed to cover the customers' needs through a strong network of reliable suppliers. Something their normal suppliers have not been able to do.

It is not assessed that the company has been significantly affected by the ongoing COVID-19 pandemic.

It is the company's assessment that the realised result is satisfactory.

### Significant events occurring after the end of the financial year

No events have occurred after the end of the financial year which could have an impact on the assessment of the group's and the parent company's financial position as of 31 August 2021.

## Management's review

### Expected development of the company, including specific prerequisites and uncertainties

It is expected that the shortage situation in the market for electronic components will continue in the financial year of 2022/23. A satisfactory result is expected.

### The company's knowledge resources if of particular importance to its future earnings

The management assesses that there is no knowledge that is of particularly critical importance for future revenue.

### Special risks, including business and financial risks

The company's activities are distributed across several markets and customer segments.

The company is vulnerable to changes in exchange rates and interest rates as a result of its daily operations. It is the group's policy not to engage in active speculation in financial risks. Therefore, financial management focuses solely on the management of already undertaken financial risks.

Most of the company's revenue is invoiced in foreign currencies, primarily EUR and USD, but as it is partially offset by operating costs and goods purchased in the same currencies, the exposure in these currencies is reduced. It is continuously assessed to what extent this exposure must be hedged when entering future exchange transactions.

The company has chosen – with few exceptions – to insure its receivables from both Danish and foreign customers as part of the credit policy

### Corporate social responsibility

It is the company goal to act continuously socially responsible, contribute to positive social development, and influence our business partners in the same direction.

Corruption occurs in some of the company's markets. Emporium Partners does not accept corruption, but it may have resulted in the loss of orders in some cases.

Women are not represented at the company's top management level. Emphasis is placed on hiring qualified female candidates.

As a workplace, we continuously seek to contribute to greater job satisfaction and job security for all employees. Furthermore, diversity in the workforce is considered to provide greater dynamism to the company.

Sexism is not tolerated. A high seniority in the company confirms a general satisfaction with the working conditions.

## **Management's review**

### **Environmental liability**

For many years, the company has used environmentally friendly packaging products and minimized the content of harmful substances.

### **Research and development activities in or for the company**

It is an important competitive parameter to be able to live up to the customers' demand for continued development of the products. Therefore, the activity will continue to have a high priority in the group.

### **Data ethics**

Emporium Partners does not have a data ethics policy but plans to prepare one.

It is assessed that the group has good ethics, and that data is only recorded when it is relevant and only kept when it is a requirement according to legislation or warranty commitments.

### **Significant events which have occurred after the end of the financial year**

The expectation of a satisfactory result has been met with a result that is better than expected at the start of the financial year.

## Income statement 1 July - 30 June

	Note	2021/22 DKK	2020/21 DKK
<b>Revenue</b>	1	<b>1.082.007.142</b>	<b>211.109.985</b>
Other operating income		122.190.576	25.378.641
Expenses for raw materials and consumables		-1.073.636.118	-210.029.051
Other external costs		-46.906.379	-9.145.161
<b>Gross profit</b>		<b>83.655.221</b>	<b>17.314.414</b>
Staff costs	2	-1.261.912	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-539.320	-546.873
<b>Profit/loss before net financials</b>		<b>81.853.989</b>	<b>16.767.541</b>
Income from investments in subsidiaries		92.518.985	12.723.869
Financial income	3	17.165.343	1.174.757
Financial costs	4	-10.921.113	-4.706.135
<b>Profit/loss before tax</b>		<b>180.617.204</b>	<b>25.960.032</b>
Tax on profit/loss for the year	5	-19.441.558	-3.149.697
<b>Profit/loss for the year</b>		<b>161.175.646</b>	<b>22.810.335</b>
Distribution of profit	6		

## Balance sheet at 30 June 2022

	Note	2022 DKK	2021 DKK
<b>Assets</b>			
Completed development projects		1.310.265	1.849.585
<b>Intangible assets</b>	7	<b>1.310.265</b>	<b>1.849.585</b>
Investments in subsidiaries	8	23.697.086	21.751.692
<b>Fixed asset investments</b>		<b>23.697.086</b>	<b>21.751.692</b>
<b>Total non-current assets</b>		<b>25.007.351</b>	<b>23.601.277</b>
Finished goods and goods for resale		9.089.705	3.864.343
Prepayments for goods		8.992.961	4.707.541
<b>Stocks</b>		<b>18.082.666</b>	<b>8.571.884</b>
Trade receivables		160.880.343	74.655.398
Receivables from subsidiaries		16.587.464	6.831.305
Other receivables		75.216.599	74.305
Prepayments	9	40.958	535.018
<b>Receivables</b>		<b>252.725.364</b>	<b>82.096.026</b>
<b>Cash at bank and in hand</b>		<b>32.605.278</b>	<b>8.181.678</b>
<b>Total current assets</b>		<b>303.413.308</b>	<b>98.849.588</b>
<b>Total assets</b>		<b>328.420.659</b>	<b>122.450.865</b>

## Balance sheet at 30 June 2022

	Note	2022 DKK	2021 DKK
<b>Equity and liabilities</b>			
Share capital		145.832	145.832
Reserve for net revaluation under the equity method		8.540.807	3.815.365
Reserve for development expenditure		0	68.800
Retained earnings		98.331.012	9.027.342
Proposed dividend for the year		65.000.000	15.000.000
<b>Equity</b>		<b>172.017.651</b>	<b>28.057.339</b>
Provision for deferred tax	10	297.269	524.613
<b>Total provisions</b>		<b>297.269</b>	<b>524.613</b>
Corporation tax		19.668.902	3.037.210
<b>Total non-current liabilities</b>		<b>19.668.902</b>	<b>3.037.210</b>
Prepayments received from customers		625.308	0
Trade payables		18.920.234	16.056.037
Payables to subsidiaries		108.130.145	42.535.127
Corporation tax		3.037.210	1.036.622
Other payables		5.723.940	30.944.401
Deferred income	11	0	259.516
<b>Total current liabilities</b>		<b>136.436.837</b>	<b>90.831.703</b>
<b>Total liabilities</b>		<b>156.105.739</b>	<b>93.868.913</b>
<b>Total equity and liabilities</b>		<b>328.420.659</b>	<b>122.450.865</b>
Contingent assets and liabilities	12		
Related parties and ownership structure	13		

## Statement of changes in equity

	Share capital	Reserve for net re- valuation under the equity method	Reserve for developme nt expendit ure	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July 2021	145.832	3.815.365	68.800	9.027.342	15.000.000	28.057.339
Ordinary dividend paid	0	0	0	0	-15.000.000	-15.000.000
Exchange adjustment, foreign	0	-2.215.334	0	0	0	-2.215.334
Net profit/loss for the year	0	96.854.294	-68.800	-609.848	65.000.000	61.175.646
Distributed dividends from investments in subsidiaries	0	-89.913.518	0	89.913.518	0	0
<b>Equity at 30 June 2022</b>	<b>145.832</b>	<b>8.540.807</b>	<b>0</b>	<b>98.331.012</b>	<b>65.000.000</b>	<b>72.017.651</b>

The company's share capital consists of 145,832 shares with a nominal value of DKK 1. No shares have been assigned special rights.

There have been no changes in the company's share capital in the past 5 years.

A dividend of m. DKK 70 has been recognized from Emporium Partners Denmark ApS, Emporium Partners Sweden AB, Emporium Partners USA Inc, Emporium Partners Germany GmbH and Emporium Partners HK Ltd, which was decided at the annual general meeting in 2022.

## Notes

### 1 Information on segments

It has been decided to omit a segment breakdown of the net turnover, as it is assessed that providing this information could cause significant competitive damage, partly because none of the company's competitors provides similar information.

### 2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	1.199.459	0
Pensions	49.838	0
Other staff costs	12.615	0
	<b>1.261.912</b>	<b>0</b>
Average number of employees	3	0

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

### 3 Financial income

Interest received from subsidiaries	1.103	46.562
Other financial income	17.164.240	1.128.195
	<b>17.165.343</b>	<b>1.174.757</b>

### 4 Financial costs

Interest paid to subsidiaries	1.431.771	350.946
Other financial costs	9.489.342	4.355.189
	<b>10.921.113</b>	<b>4.706.135</b>



## Notes

	2021/22 DKK	2020/21 DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	19.668.902	3.037.210
Deferred tax for the year	-227.344	-95.627
Adjustment of tax concerning previous years	0	394.192
Adjustment of deferred tax concerning previous years	0	-186.078
	<b>19.441.558</b>	<b>3.149.697</b>
<b>6 Distribution of profit</b>		
Proposed dividend for the year	65.000.000	15.000.000
Reserve for net revaluation under the equity method	96.854.294	8.685.631
Transferred to reserve for development expenditure	-68.800	-17.200
Retained earnings	-609.848	-858.096
	<b>161.175.646</b>	<b>22.810.335</b>

After the end of the financial year, an extraordinary distribution of dividends totaling 85 m.DKK was made.

## 7 Intangible assets

	Completed development projects DKK
Cost at 1 July 2021	5.638.726
Cost at 30 June 2022	5.638.726
Impairment losses and amortisation at 1 July 2021	3.789.141
Depreciation for the year	539.320
Impairment losses and amortisation at 30 June 2022	4.328.461
<b>Carrying amount at 30 June 2022</b>	<b>1.310.265</b>

Development projects consist of the development of an IT system and website.

## Notes

	2022 DKK	2021 DKK
<b>8 Investments in subsidiaries</b>		
Cost at 1 July 2021	3.164.791	2.975.791
Additions for the year	11.991.488	189.000
Cost at 30 June 2022	15.156.279	3.164.791
Revaluations at 1 July 2021	18.586.901	6.141.430
Exchange rate adjustments	-2.215.418	572.187
Share of profit/loss for the year	92.518.985	12.723.507
Dividend	-89.913.518	0
Investments with negative equity depreciated over receivables	-10.436.143	-850.223
Revaluations at 30 June 2022	8.540.807	18.586.901
<b>Carrying amount at 30 June 2022</b>	<b>23.697.086</b>	<b>21.751.692</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Emporium Partners Denmark ApS	Taastrup	100%	19.370.563	19.014.286
Emporium Partners Sweden AB	Sweden	100%	17.653.010	18.036.813
Emporium Partners USA Inc.	USA	80%	7.734.373	6.600.837
Emporium Partners Germany GmbH	Germany	80%	57.202.391	55.678.696
Emporium Partners HK Ltd.	Hong Kong	100%	4.982.757	5.644.261

## 9 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

## Notes

	2022 DKK	2021 DKK
<b>10 Provision for deferred tax</b>		
Provision for deferred tax at 1 July 2021	524.613	806.318
Deferred tax recognised in income statement	-227.344	-281.705
<b>Provision for deferred tax at 30 June 2022</b>	<b>297.269</b>	<b>524.613</b>
	<b>297.269</b>	<b>524.613</b>

## 11 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years as well as fair value adjustments of derivative financial instruments with a negative fair value.

## 12 Contingent assets and liabilities

The company has announced a prohibition of pledging regarding the company's debtors related to the entered financing agreement. As of year 2021/22, the security amounts to DKK 0.

The Company has received a claim from a US company of USD 4.9 million related to sales of goods. The Company is represented by a law firm issued by the insurance company. The Company has taken out insurance cover for ingredient and component damage with an insurance sum of DKK 10 million, and for ingredient and component losses of DKK 1 million. It is the insurance company's lawyers assessment on the available basis that there is a limited risk in the case and that the case should not burden the Company financially.

The Company has sent a claim to a US company of USD 111 thousand related to defective goods. The case has been upheld by judgment, but the payment of the receivables has not taken place. There is uncertainty as to whether the company will receive the payment.

The Company is in a process with the lawyer for claiming payment of USD 416 thousand for an order. The costumer has returned the goods and claims that they are defective. The claim is to late. There is uncertainty as to whether The Company will receive the payment.

## Notes

### 12 Contingent assets and liabilities (continued)

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 for income taxes etc. for the jointly taxed entities and 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.

### 13 Related parties and ownership structure

#### Controlling interest

PNC Holding ApS  
Hørskættø 18, 2630 Taastrup  
Main shareholder

#### Other related parties

Emporium Partners Denmark ApS

Emporium Partners Sweden AB

Emporium Partners USA Inc.

Emporium Partners Germany GmbH

Emporium Partners HK Ltd.

#### Transactions

No agreements were entered into in the financial year, nor were any deals or transactions carried out in the company in any other way, in which the board of directors or the executive board have a financial interest in addition to transactions that follow the terms of employment.

## Notes

### 13 Related parties and ownership structure (continued)

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

PNC Holding ApS  
Hørskættens 18, 2630 Taastrup  
Main shareholder

#### Consolidated financial statements

The company is reflected in the group report as the parent company PNC Holding ApS.

The group report of can be obtained at the following address: [www.cvr.dk](http://www.cvr.dk)

## Accounting policies

The annual report of Emporium Partners ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C , as well as provisions applying to reporting class C entities.

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

The annual report for 2021/22 is presented in DKK

Concerning the Annual Accounts Act §86, subsection 4, the statement of cash flows is omitted, as the company is included in the statement of cash flows in the consolidated financial statements of the parent company, PNC Holding ApS.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### 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 installments 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.

## Accounting policies

### Income statement

#### 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.

#### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

#### Other external costs

Other external costs include expenses related to sale, advertising, administration, premises etc.

#### 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.

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.

## Accounting policies

### 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 3-10 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

Investments in subsidiaries, associates and participating interests 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. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.



## Accounting policies

Investments in subsidiaries, associates and participating interests 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, associates and participating interests 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.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

### Receivables

Receivables are measured at amortised cost.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### 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. Deferred tax is measured at net realisable value.

### 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.

### Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

## Accounting policies

### 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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

### Financial Highlights

Definitions of financial ratios.

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