

Emporium Partners ApS

Hørskættø 18, 2630 Taastrup

CVR no. 27 17 48 92

**Annual report for the period
1. juli 2019 to 30. juni 2020**

Adopted at the annual general meeting on 4
December 2020

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. juli 2019 - 30. juni 2020.

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. juni 2020 and of the results of the company's operations for the financial year 1. juli 2019 - 30. juni 2020.

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, 4 December 2020

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. juli 2019 - 30. juni 2020, 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. juni 2020 and of the results of the company's operations for the financial year 1. juli 2019 - 30. juni 2020 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.

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, 4 December 2020

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. juli 2019 - 30. juni 2020

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 review

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

Financial review

The company's income statement for the year ended 30 June 2020 shows a profit of DKK 1.710.181, and the balance sheet at 30. juni 2020 shows equity of DKK 6.675.270.

In the financial year, there has been an outbreak and spread of the coronavirus due to the COVID-19 pandemic. However, the company is not significantly affected by the outbreak. Although we are at an early stage in terms of assessing the impact, management still expects that the outbreak will have no considerable financial impact on the company during the financial year ahead.

Significant events occurring after the end of the financial year

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	2019/20 DKK	2018/19 DKK
Gross profit		3.162.727	2.347.123
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-546.872	-579.929
Profit/loss before net financials		2.615.855	1.767.194
Income from investments in subsidiaries		270.338	-1.342.877
Financial income	1	845.642	1.247.434
Financial costs	2	-1.246.162	-1.362.200
Profit/loss before tax		2.485.673	309.551
Tax on profit/loss for the year	3	-775.492	-358.656
Profit/loss for the year		1.710.181	-49.105
Recommended appropriation of profit/loss			
Proposed dividend for the year		2.000.000	0
Reserve for net revaluation under the equity method		19.187	5.913.436
Transferred to reserve for development expenditure		-24.200	0
Retained earnings		-284.806	-5.962.541
		1.710.181	-49.105

Balance sheet at 30 June 2020

	Note	2020 DKK	2019 DKK
Assets			
Completed development projects		2.396.458	2.943.330
Intangible assets	4	2.396.458	2.943.330
Investments in subsidiaries	5	9.117.221	9.150.773
Fixed asset investments		9.117.221	9.150.773
Total fixed assets		11.513.679	12.094.103
Finished goods and goods for resale		2.580.096	1.898.297
Prepayments for goods		660.506	0
Stocks		3.240.602	1.898.297
Trade receivables		11.159.621	8.950.443
Receivables from subsidiaries		7.741.642	6.421.437
Other receivables		2.801.252	67.171
Prepayments		422.813	479.483
Receivables		22.125.328	15.918.534
Cash at bank and in hand		2.193.378	2.064.907
Current assets total		27.559.308	19.881.738
Assets total		39.072.987	31.975.841

Balance sheet at 30 June 2020

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Share capital		145.832	145.832
Reserve for development expenditure		86.000	110.200
Retained earnings		4.443.438	4.728.246
Proposed dividend for the year		2.000.000	0
Equity		6.675.270	4.984.278
Provision for deferred tax		806.318	750.292
Total Provisions		806.318	750.292
Corporation tax		642.430	359.304
Total non-current liabilities		642.430	359.304
Trade payables		6.459.110	4.702.540
Payables to subsidiaries		20.991.299	19.687.622
Corporation tax		436.340	611.290
Other payables		2.231.705	231.483
Deferred income		830.515	649.032
Total current liabilities		30.948.969	25.881.967
Debt total		31.591.399	26.241.271
Liabilities and equity total		39.072.987	31.975.841
Contingent liabilities	6		

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 2019	145.832	0	110.200	4.728.244	0	4.984.276
Exchange adjustment, foreign	0	-19.187	0	0	0	-19.187
Net profit/loss for the year	0	19.187	-24.200	-284.806	2.000.000	1.710.181
Equity at 30 June 2020	145.832	0	86.000	4.443.438	2.000.000	6.675.270

Notes

	2019/20 DKK	2018/19 DKK
1 Financial income		
Interest received from subsidiaries	470.481	416.898
Other financial income	375.161	830.536
	845.642	1.247.434
2 Financial costs		
Interest paid to subsidiaries	351.800	468.544
Other financial costs	894.362	893.656
	1.246.162	1.362.200
3 Tax on profit/loss for the year		
Current tax for the year	642.430	359.304
Deferred tax for the year	56.026	-648
Adjustment of tax concerning previous years	77.036	0
	775.492	358.656

Notes

4 Intangible assets

	Completed development projects DKK
Cost at 1 July 2019	5.638.726
Cost at 30 June 2020	5.638.726
Impairment losses and amortisation at 1 July 2019	2.695.396
Depreciation for the year	546.872
Impairment losses and amortisation at 30 June 2020	3.242.268
Carrying amount at 30 June 2020	2.396.458

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

Notes

	2020 DKK	2019 DKK
5 Investments in subsidiaries		
Cost at 1 July 2019	2.975.791	2.975.707
Additions for the year	0	84
Cost at 30 June 2020	2.975.791	2.975.791
Revaluations at 1 July 2019	6.174.982	11.983.000
Exchange rate adjustments	-19.803	14.702
Share of profit/loss for the year	270.338	-1.342.877
Dividend	-1.400.000	-7.000.000
Investments with negative equity depreciated over receivables	1.115.913	2.520.157
Revaluations at 30 June 2020	6.141.430	6.174.982
Carrying amount at 30 June 2020	9.117.221	9.150.773

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 USA Inc.	USA	80%
Emporium Partners Germany GmbH	Germany	80%
Emporium Partners HK Ltd.	Hong Kong	100%

Notes

6 Contingent liabilities

In the 2019/20 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 89k (plus process interest). Management and legal advisors believes that the company has a good case and cannot be held responsible in any respect.

The company has announced a prohibition of pledging regarding the company's debtors related to the entered financing agreement. As of year 2019/20 the security amounts to DKK 0.

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.

Accounting policies

The annual report of Emporium Partners ApS for 2019/20 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.

Changes in accounting policies

Management fees regarding staff costs has been correctly included this year as part of gross profit. The comparative figures has been changed in accordance with this procedure with the amount of DKK 5,126k and without net effect in profit or equity. Apart from this, 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 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.

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.

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 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 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.

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.

Accounting policies

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.

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.

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.