



ETK EMS GROUP APS

Industrivej 45
Stilling
8660 Skanderborg

CVR no. 27 52 31 88

ANNUAL REPORT FOR 2020/21

(15. Financial year)



Adopted at the annual general
meeting on
8. oktober 2021

chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of ETK EMS Group ApS for the financial year 1 July 2020 - 30 June 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2021 and of the results of the company's operations for the financial year 1 July 2020 - 30 June 2021.

In my 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.

Skanderborg, 8 October 2021

Executive board

Thomas Vinter
President

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ETK EMS Group ApS

Opinion

We have audited the financial statements of ETK EMS Group ApS for the financial year 1 July 2020 - 30 June 2021, 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 2021 and of the results of the company's operations for the financial year 1 July 2020 - 30 June 2021 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Skanderborg, 8 October 2021

ADVOISION

statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64

Ole Christensen
State Authorised Public Accountant
MNE no. mne3602

Henrik Hansen
State Authorised Public Accountant
MNE no. mne21336

COMPANY DETAILS

The company

ETK EMS Group ApS
Industrivej 45
Stilling
8660 Skanderborg

CVR no.: 27 52 31 88

Reporting period: 1 July 2020 - 30 June 2021

Domicile: Skanderborg

Executive board

Thomas Vinter

Auditors

ADVOSION
statsautoriseret revisionspartnerselskab
Kristiansvej 13
8660 Skanderborg

MANAGEMENT'S REVIEW

Business review

The company's primary activity is to be a holding company.

Financial review

The company's income statement for the year ended 30 June 2021 shows a profit of EUR 3,639,150, and the balance sheet at 30 June 2021 shows equity of EUR 16,082,005.

Financial year 2020/21 have set another milestone for ETK EMS Group. The overall result have been very satisfactory for the shareholders.

Result for 2020/21 have been the strongest ever for ETK EMS Group and especially supported by our customer's strong position on their market. Their capabilities of continuing developing unique and strong products is supportive to the growth of ETK EMS Group. By the end of the financial year, we entered into a very strong first quarter of 2020/21 and this good start set fundamentals for the result.

The global impact to the disturbed market continued from last financial year into this year and it have tested companies around the globe on their capabilities to adapt fast and with strong control of impact on all aspects of the supply chain. Even the market is highly effect by the global unbalance in the supply and demand it have been possible to run all sites at high efficiency.

Primary growth last decade at ETK EMS Group have also in 2020/21 been possible without adding extra cost due to the highly market recognized digitalization set-up utilizing both downstream and upstream solutions capable of scaling ETK EMS Group without adding linear white collar manpower.

In a year of growth, it was also possible to optimize the production capacity in Denmark by closing down the minor site in Frederikssund and incorporate them into Sønderborg and to Skanderborg.

The independence of serving specific market segments have also been key driver in 2020/21 at all ETK EMS Group sites. Only very few segments is covering 2-digits percentage of the turnover and new upcoming growth segments like Robotics, IoT, Medico, Food and Agriculture have supported this even further.

Since late 2018 when ETK EMS Group acquired the site in Sønderborg, it have been a straight line of success and in 2020/21 the goal of doubling the activity since the start where achieved. This growth have continued into Q1-2021/21 and expect to support significantly to the Group result for 2021/22.

MANAGEMENT'S REVIEW

In Skanderborg, the number of blue-collar employees reached to the highest numbers for years with the result of high activity level. Customers have focus on implementing new products in close corporation with the local ETK EMS team before they aim for transferring them to Thailand.

With the pandemic restriction the site in Rayong Thailand also in 2020/21 shown the capability of running independent without physical onsite support from management in Denmark. Majority of the assignments is utilizing the global ERP systems together with the day-to-day online meetings. The success of this will for sure have impact to the future travelling policy and by that impact to ETK EMS Groups global emission footprint.

Significant events occurring after the end of the financial year

Since the end of the 2020/21 financial year ETK EMS Group have finalized a transaction to sell majority of the shares to Blue Equity (Danish private equity fund) of ETK EMS Group ApS. The partners of ETK EMS Group will continue as shared owner.

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

Expected development of the company, including specific prerequisites and uncertainties

The management expect result for 2021/22 to be satisfactory for the shareholders.

Statutory corporate social responsibility report

ETK EMS Groups' CSR program have also in 2020/21 primarily supported organizations where they do something extraordinary for kids. The support has been kids in general but also with special focus on supporting sick kids and their families. In Denmark, the support has been for KidsAid Family and Børne-cancerfonden (kids with cancer). One of the beneficial in Thailand have been the support to a "night" kindergarten where they take care of kids having single parents working at night.

ACCOUNTING POLICIES

The annual report of ETK EMS Group ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, 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 2020/21 is presented in EUR

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any 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.

Other external expenses

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

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries, associates and participating interests

Tax on profit/loss for the year

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

Investments in subsidiaries, associates and participating interests

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.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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.

ACCOUNTING POLICIES

Liabilities

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

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

Foreign currency translation

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

INCOME STATEMENT 1 JULY - 30 JUNE

	<u>Note</u>	<u>2020/21</u> EUR	<u>2019/20</u> EUR
Gross profit		-1,692	-1,700
Income from investments in subsidiaries		3,613,606	2,833,627
Financial income		244,486	0
Financial costs	1	<u>-210,045</u>	<u>-210,318</u>
Profit/loss before tax		3,646,355	2,621,609
Tax on profit/loss for the year	2	<u>-7,205</u>	<u>46,644</u>
Profit/loss for the year		<u>3,639,150</u>	<u>2,668,253</u>
Extraordinary dividend for the year		537,920	0
Reserve for net revaluation under the equity method		2,806,726	2,833,627
Retained earnings		<u>294,504</u>	<u>-165,374</u>
		<u>3,639,150</u>	<u>2,668,253</u>

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2021</u> EUR	<u>2020</u> EUR
Assets			
Investments in subsidiaries	3	23,949,109	22,325,575
Fixed asset investments		23,949,109	22,325,575
Total non-current assets		23,949,109	22,325,575
Receivables from group entities		749,406	56,349
Receivables from associates		33,620	33,545
Joint taxation contributions receivable		0	46,644
Receivables		783,026	136,538
Cash at bank and in hand		59	624
Total current assets		783,085	137,162
Total assets		24,732,194	22,462,737

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2021</u> EUR	<u>2020</u> EUR
Equity and liabilities			
Share capital		16,810	16,773
Reserve for net revaluation under the equity method		16,015,973	14,410,137
Retained earnings		49,222	-244,739
Equity		<u>16,082,005</u>	<u>14,182,171</u>
Banks		150,796	0
Payables to group entities		8,488,826	8,277,211
Corporation tax		7,205	0
Other payables		3,362	3,355
Total current liabilities		<u>8,650,189</u>	<u>8,280,566</u>
Total liabilities		<u>8,650,189</u>	<u>8,280,566</u>
Total equity and liabilities		<u><u>24,732,194</u></u>	<u><u>22,462,737</u></u>
Mortgages and collateral	4		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net revaluation under the equi- ty method	Retained ear- nings	Proposed extraordinary dividend	Total
Equity at 1 July 2020	16,773	14,410,137	-244,739	0	14,182,171
Exchange adjustments	37	-1,200,890	-543	0	-1,201,396
Ordinary dividend paid	0	0	0	-537,920	-537,920
Net profit/loss for the year	0	2,806,726	294,504	537,920	3,639,150
Equity at 30 June 2021	16,810	16,015,973	49,222	0	16,082,005

NOTES

	<u>2020/21</u>	<u>2019/20</u>
	EUR	EUR
1 Financial costs		
Financial expenses, group entities	209,679	199,142
Other financial costs	366	11,176
	<u>210,045</u>	<u>210,318</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>7,205</u>	<u>-46,644</u>
	<u>7,205</u>	<u>-46,644</u>

NOTES

	2021 EUR	2020 EUR
3 Investments in subsidiaries		
Cost at 1 July 2020	7,915,436	7,903,637
Exchange adjustment	17,700	11,799
Cost at 30 June 2021	7,933,136	7,915,436
Revaluations at 1 July 2020	14,410,139	11,489,670
Exchange adjustment	-1,202,321	86,842
Net profit/loss for the year	4,496,970	3,076,070
Received dividend	-806,880	0
Amortisation of goodwill	-881,935	-242,443
Revaluations at 30 June 2021	16,015,973	14,410,139
Carrying amount at 30 June 2021	23,949,109	22,325,575

Investments in subsidiaries are specified as follows:

Name	Registered office	Share capital	Ownership interest
ETK EMS Skanderborg A/S	Skanderborg	1,340,0000 DKK	100%
ETK EMS Frederikssund A/S	Frederikssund	800,000 DKK	100%
ETK EMS Asia Ltd.	Thailand	90,265,500 Bath	100%
ETK EMS Properties ApS	Skanderborg	125.000 DKK	100%
ETK EMS Sønderborg A/S	Sønderborg	500.000 DKK	100%

4 Mortgages and collateral

Shares of nom. EUR 180.203 for ETK EMS Skanderborg A/S have been posted as security for bank debt and bank debt in ETK EMS Skanderborg A/S and ETK EMS Frederikssund A/S.

ETK EMS Group ApS has issued a guarantee for bank debt of its subsidiaries of ETK EMS Skanderborg A/S, ETK EMS Sønderborg A/S and ETK EMS Frederikssund A/S.

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

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

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

Thomas Vinter

Som Direktør
PID: 9208-2002-2-269732078202 NEM ID
Tidspunkt for underskrift: 11-10-2021 kl.: 16:45:54
Underskrevet med NemID

Ole Christensen

Som Revisor
RID: 80351951 NEM ID
Tidspunkt for underskrift: 11-10-2021 kl.: 17:12:04
Underskrevet med NemID

Henrik Hansen

Som Revisor
RID: 80810872 NEM ID
Tidspunkt for underskrift: 11-10-2021 kl.: 17:08:54
Underskrevet med NemID

Torben Drejer

Som Dirigent
PID: 9208-2002-2-524227610479 NEM ID
Tidspunkt for underskrift: 11-10-2021 kl.: 17:58:26
Underskrevet med NemID

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