



## ETK EMS GROUP ApS

Industrivej 45  
8660 Skanderborg  
CVR No. 27523188

## Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual  
report on 24.10.2023

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**Christian Møller Christensen**  
Chairman of the General Meeting

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# Entity details

## Entity

ETK EMS GROUP ApS

Industrivej 45

8660 Skanderborg

Business Registration No.: 27523188

Registered office: Skanderborg

Financial year: 01.07.2022 - 30.06.2023

## Board of Directors

Thomas Vinter

Torben Drejer

Christian Møller Christensen

Mille Lindsprog Knudsen

Kurt Bering Sørensen

Thomas Tvedergaard Larsen

## Executive Board

Troels Hornsved

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ETK EMS GROUP ApS for the financial year 01.07.2022 - 30.06.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Skanderborg, 24.10.2023

## Executive Board

**Troels Hornsved**

## Board of Directors

**Thomas Vinter**

**Torben Drejer**

**Christian Møller Christensen**

**Mille Lindskrog Knudsen**

**Kurt Bering Sørensen**

**Thomas Tvedergaard Larsen**

# Independent auditor's report

## To the shareholders of ETK EMS GROUP ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of ETK EMS GROUP ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Skanderborg, 24.10.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Søren Marquart Alsen**

State Authorised Public Accountant  
Identification No (MNE) mne40040

**Lena Lykkegård**

State Authorised Public Accountant  
Identification No (MNE) mne47836

# Management commentary

## Financial highlights

	2022/23	2021/22	2020/21
	EUR'000	EUR'000	EUR'000
<b>Key figures</b>			
Revenue	64,055	49,039	34,962
Gross profit/loss	19,569	14,597	12,323
Operating profit/loss	8,251	4,329	5,022
Net financials	(761)	(642)	(349)
Profit/loss for the year	6,732	2,745	3,591
Balance sheet total	48,325	41,203	26,581
Investments in property, plant and equipment	584	4,990	0
Equity	20,024	14,519	16,082
Cash flows from operating activities	1,164	(7,502)	5,308
Cash flows from investing activities	(301)	(1,193)	(884)
Cash flows from financing activities	(699)	(2,689)	(1,903)
<b>Ratios</b>			
Gross margin (%)	30.55	29.77	35.25
Net margin (%)	10.51	5.60	10.27
Equity ratio (%)	41.44	35.24	60.50

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Balance sheet total}} * 100$

Balance sheet total



### Primary activities

The activities in year 2022/23 have, like previous years, consisted of development, production and trading of electronic components and equipment and relevant associated services.

### Development in activities and finances

The income statement for the year ending June 30th, 2023 shows an increase in revenue of around 23% and a profit for the year of EUR 6.7m.

The equity is 20m EUR, and the equity ratio is at 42%.

The financial year 2022-23 has been a satisfactory year for the shareholders.

The year has been challenging, as we had to deal with supply chain constraints, continued international unrest arising from the Russian invasion of Ukraine, global tensions with potential trade wars, and continued inflation leading to price increases on raw materials and components. In the later part of the year 2022/23 we have experienced somewhat normalization, lead times have dropped somewhat, albeit not to pre-pandemic levels, inflation has returned to more normal levels, and customers have to a larger degree shifted their focus from securing materials to focussing on risk mitigation, inventory reduction and cash flow improvements. As a consequence, we have during the later stages of the year seen an increase in customers requesting to postpone demand and reducing liabilities.

Despite these challenges, we managed to secure reliable and steady deliveries to our customers.

We have continued investing in new and improved technology for our production in all four sites, with the largest single investment in ETK's history being made in Skanderborg where a combined SMT and IMT production line has been installed. Furthermore, investments into a new SMT line for our Rayong factory have also been initiated, with installation during Q4 2023. The additional capacity will be a further enhancement to the strength of our Rayong factory and ETK in supporting the competitiveness of our customers going forward. Additional investments are planned for implementation during 2023/24 to support a continued scaling of the company.

The Næstved site, which was acquired during 2022, has since Q3 2022 been fully integrated into the ETK operating model, including implementing our backbone ERP system, so the Næstved site enjoys the same AI driven planning systems as their sister companies. Additionally, further optimization of our digital setup and planning systems has been implemented, enabling an improved control over component scheduling, capacity utilization and delivery service to our customers.

Our Sourcing and Purchase teams have initially spent a large part of their focus on securing components for our customers utilizing alternative vendors and routes, but have during the year 2022/23 shifted focus to cost optimization, postponing supply and supporting new business opportunities.

This year's increase in revenue is a confirmation of our ability to integrate acquisitions, to scale and grow in co-operation with our customers and to support them in their expansions, despite market challenges.

As of 1st June 2023, ETK has onboarded new CEO Troels Hornsved to lead the company during the next stages, supported by the Board of Directors.

### **Profit/loss for the year in relation to expected developments**

Profit for the year is positively impacted by one-time adjustments mainly related to the integration of ETK EMS Næstved.

### **Outlook**

During the year 2022/23 we have experienced a shift from focussing on securing components to a more varied market with a continued focus on securing components, but also customers postponing demand and reducing forecast to ensure cashflow. We expect this shift in focus will carry through to 2023/24, which we expect will be a challenging year as the effect of high inventories in the supply chain combined with a more cautious approach by our customers will materialize in the activity level in the market generally. While the profit for 2022/23 was very satisfactory, we expect the profit for 2023/24 to be significantly lower with a profit of 3 to 4 mEUR due to reduced demand, increased cost and increased focus on price in the market.

We do however believe ETK is in a good position to handle these challenges, as our AI driven planning systems provide us with a high level of control of the material flow, thus enabling us to navigate the challenges effectively.

Despite a challenging market situation continuing into 2023/24, ETK expects to continue investing in people, customers and equipment to ensure ETK can continue a profitable growth beyond 2023/24.

### **Statutory report on corporate social responsibility**

#### **Business model**

ETK EMS is present in Denmark and Thailand with three sites incl. headquarters in Denmark and one site in Thailand employing a total of almost 320 people. We service customers throughout the world, offering assembly of PCBA's, mechanical assemblies, box-build solutions and tailored logistics for end customer shipments and we specialize in industrial energy, transportation, the medical industry and information technology markets. We are proud of the positive impacts our products bring to ensuring that critical infrastructure is digitized and reliable.

#### **Policies**

We have adopted the Responsible Business Alliance Code of Conduct, a high quality standard within our industry, and we have had our own CSR Policy for a number of years. Together they address important matters like human and labor rights, safety, environmental topics and anti-corruption. We have plans to initiate an evaluation of the completeness of our Code and CSR Policy in the coming year, where we will also continue to ensure that our suppliers adhere to the RBA Code.

#### **Environment and climate**

We operate a low impact operation with relatively insignificant risks concerning the environment and climate. We maintain relevant ISO standards and will in the coming financial year have all sites ISO14001 certified. We have done some efforts to reduce our energy consumption, and plan for the years ahead to start mapping, measuring and reducing our carbon footprint.

#### **Social matters**

Our business' success relies on the collaborations and creativity of our employees. We maintain a workplace with equal opportunities for all, where safety is a priority, and currently we consider our efforts very successful and risks relating to our employees to be minimal. Our ambition for the future is to maintain high engagement and that we have a good place to work where people going the extra mile are recognized and where flexibility can be expected.

**Human rights**

In the early steps of the value chain of our industry, certain risks relating to human rights have unfortunately been documented in the past. We are not aware of, and would never tolerate any kind of human rights violations, which is also why we have signed up to the RBA Code of Conduct. The network of suppliers we work with are large and considered responsible and reliable so while we have not identified any major risks, we will continue to increase robustness of, and insights to, the operations of our suppliers.

**Anti-corruption**

Our business relations have not been identified as a place where high risks relating to corruption is a problem. We will not tolerate any sort of bribery or corruption, and efforts in the past have been on ensuring that business processes are in place to reduce the risk and even possibility of using our company assets for personal gains. Going forward we will maintain and continue optimizing our robust controls and standards and ensure prompt action in the event of findings.

**Statutory report on the underrepresented gender**

Our Board of Directors consist of a total of 6 persons elected at the annual general meeting, of whom five are men and one is a woman. We consider that our composition of the Board enables us to pursue the company's strategy well, but have at the same time established a target to increase gender representation to two women on the Board by end of financial year 2026/2027.

We currently have a senior management team consisting of five persons, all of them men. And at the next level of middle management, we currently have six women and seven men, whereas we have a total split in the organization of 71% women and 26% men. Our policy, established this year, to help achieve gender balance at other management levels of the organization, also sets out that we aim to ensure that for all recruitment processes we have candidates of both sexes.

Beyond just genders, a focus is in place to achieve greater diversity in management positions, reflecting a diverse organization in general, and at the same time we believe that we must always hire the best person for the job.

**Statutory report on data ethics policy**

Working responsibly and ethically with data is already an important task for us. And while we do not have a stand-alone data ethics policy as defined by the Danish Business Authority, we do have existing structures in place to ensure compliance with data protection/GDPR as well as cyber security topics. It is important for us both to protect the personal data of our employees, as well as in relation to marketing and sales activities to manage business partner data in the right way. If, in the future, we change our business model and start using advanced data systems or AI to manage personal data, we will reevaluate the need for establishing a policy.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Revenue	2	64,055,184	49,039,366
Other operating income		0	284,461
Cost of sales		(41,074,139)	(32,890,905)
Other external expenses		(3,411,979)	(1,835,686)
<b>Gross profit/loss</b>		<b>19,569,066</b>	<b>14,597,236</b>
Staff costs	3	(10,534,446)	(9,414,152)
Depreciation, amortisation and impairment losses	4	(783,511)	(854,052)
<b>Operating profit/loss</b>		<b>8,251,109</b>	<b>4,329,032</b>
Other financial income	5	94,483	4,326
Other financial expenses	6	(855,401)	(646,663)
<b>Profit/loss before tax</b>		<b>7,490,191</b>	<b>3,686,695</b>
Tax on profit/loss for the year	7	(758,145)	(942,115)
<b>Profit/loss for the year</b>	8	<b>6,732,046</b>	<b>2,744,580</b>

# Consolidated balance sheet at 30.06.2023

## Assets

	Notes	2022/23 EUR	2021/22 EUR
Goodwill		1,869,289	2,239,479
<b>Intangible assets</b>	9	<b>1,869,289</b>	<b>2,239,479</b>
Plant and machinery		1,323,975	1,241,221
Other fixtures and fittings, tools and equipment		1,148,430	1,201,814
Leasehold improvements		17,698	35,151
<b>Property, plant and equipment</b>	10	<b>2,490,103</b>	<b>2,478,186</b>
Deposits		464,641	346,686
Other receivables		0	105,792
<b>Financial assets</b>	11	<b>464,641</b>	<b>452,478</b>
<b>Fixed assets</b>		<b>4,824,033</b>	<b>5,170,143</b>
Raw materials and consumables		18,249,172	17,586,303
Work in progress		1,521,788	1,112,447
Manufactured goods and goods for resale		2,957,414	3,616,053
Prepayments for goods		340,650	484,345
<b>Inventories</b>		<b>23,069,024</b>	<b>22,799,148</b>

Trade receivables		10,236,399	12,011,876
Receivables from group enterprises		2,752,277	0
Deferred tax	12	808,115	345,049
Other receivables		213,030	28,762
Tax receivable		0	131,372
Prepayments	13	108,051	196,704
<b>Receivables</b>		<b>14,117,872</b>	<b>12,713,763</b>
<hr/>			
<b>Cash</b>		<b>6,314,553</b>	<b>520,375</b>
<hr/>			
<b>Current assets</b>		<b>43,501,449</b>	<b>36,033,286</b>
<hr/>			
<b>Assets</b>		<b>48,325,482</b>	<b>41,203,429</b>
<hr/>			

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23</b> <b>EUR</b>	<b>2021/22</b> <b>EUR</b>
Contributed capital		16,810	16,810
Retained earnings		17,144,074	14,502,111
Proposed dividend for the financial year		2,862,903	0
<b>Equity</b>		<b>20,023,787</b>	<b>14,518,921</b>
Lease liabilities		325,794	408,486
Joint taxation contribution payable		708,977	0
Other payables		75,062	691,463
<b>Non-current liabilities other than provisions</b>	<b>14</b>	<b>1,109,833</b>	<b>1,099,949</b>
Current portion of non-current liabilities other than provisions	14	112,009	141,506
Bank loans		14,176,231	8,490,192
Prepayments received from customers		592,742	101,536
Trade payables		9,075,990	9,803,580
Payables to associates		0	3,101,829
Tax payable		493,234	1,570,361
Joint taxation contribution payable		737,703	0
Other payables		2,003,953	2,375,555
<b>Current liabilities other than provisions</b>		<b>27,191,862</b>	<b>25,584,559</b>
<b>Liabilities other than provisions</b>		<b>28,301,695</b>	<b>26,684,508</b>
<b>Equity and liabilities</b>		<b>48,325,482</b>	<b>41,203,429</b>
Events after the balance sheet date	1		
Contingent liabilities	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

# Consolidated statement of changes in equity for 2022/23

	Contributed capital EUR	Retained earnings EUR	Proposed dividend for the financial year EUR	Total EUR
Equity beginning of year	16,810	14,502,111	0	14,518,921
Exchange rate adjustments	0	(879,322)	0	(879,322)
Other entries on equity	0	(347,858)	0	(347,858)
Profit/loss for the year	0	3,869,143	2,862,903	6,732,046
<b>Equity end of year</b>	<b>16,810</b>	<b>17,144,074</b>	<b>2,862,903</b>	<b>20,023,787</b>



# Consolidated cash flow statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Operating profit/loss		8,251,109	4,329,032
Amortisation, depreciation and impairment losses		783,511	854,052
Working capital changes	15	(6,389,114)	(11,812,605)
<b>Cash flow from ordinary operating activities</b>		<b>2,645,506</b>	<b>(6,629,521)</b>
Financial income received		94,483	4,326
Financial expenses paid		(855,401)	(646,633)
Taxes refunded/(paid)		(720,286)	(230,516)
<b>Cash flows from operating activities</b>		<b>1,164,302</b>	<b>(7,502,344)</b>
Acquisition etc. of property, plant and equipment		(499,797)	(881,113)
Sale of property, plant and equipment		315,804	0
Acquisition of enterprises		0	(1,313,260)
Other cash flows from investing activities		(116,766)	1,001,189
<b>Cash flows from investing activities</b>		<b>(300,759)</b>	<b>(1,193,184)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>863,543</b>	<b>(8,695,528)</b>
Repayments of loans etc.		(699,093)	0
Dividend paid		0	(2,689,000)
<b>Cash flows from financing activities</b>		<b>(699,093)</b>	<b>(2,689,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>164,450</b>	<b>(11,384,528)</b>
Cash and cash equivalents beginning of year		(7,969,817)	3,414,711
Currency translation adjustments of cash and cash equivalents		(56,311)	0
<b>Cash and cash equivalents end of year</b>		<b>(7,861,678)</b>	<b>(7,969,817)</b>

Cash and cash equivalents at year-end are composed of:

Cash	6,314,553	520,375
Short-term bank loans	(14,176,231)	(8,490,192)
<b>Cash and cash equivalents end of year</b>	<b>(7,861,678)</b>	<b>(7,969,817)</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Revenue

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Denmark	52,933,467	40,928,664
EU	2,813,981	2,654,118
Non EU	8,307,736	5,456,584
<b>Total revenue by geographical market</b>	<b>64,055,184</b>	<b>49,039,366</b>

## 3 Staff costs

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Wages and salaries	9,561,992	8,580,379
Pension costs	765,447	561,910
Other social security costs	207,007	267,299
Other staff costs	0	4,564
	<b>10,534,446</b>	<b>9,414,152</b>
Average number of full-time employees	<b>321</b>	<b>323</b>

Remuneration for the board of directors and management is undisclosed with reference to section 98, subsection of the Annual Accounts Act. 3, No. 2.

## 4 Depreciation, amortisation and impairment losses

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Amortisation of intangible assets	369,001	270,702
Depreciation on property, plant and equipment	483,866	543,425
Profit/loss from sale of intangible assets and property, plant and equipment	(69,356)	39,925
	<b>783,511</b>	<b>854,052</b>

**5 Other financial income**

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Financial income from group enterprises	26,882	0
Other interest income	67,601	4,064
Other financial income	0	262
	<b>94,483</b>	<b>4,326</b>

**6 Other financial expenses**

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Financial expenses from associates	131,199	65,186
Other interest expenses	544,166	100,431
Exchange rate adjustments	150,466	458,095
Other financial expenses	29,570	22,951
	<b>855,401</b>	<b>646,663</b>

**7 Tax on profit/loss for the year**

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Current tax	1,334,978	1,262,485
Change in deferred tax	(463,066)	(320,370)
Adjustment concerning previous years	(113,767)	0
	<b>758,145</b>	<b>942,115</b>

**8 Proposed distribution of profit/loss**

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Ordinary dividend for the financial year	2,862,903	0
Extraordinary dividend distributed in the financial year	0	4,857,418
Retained earnings	3,869,143	(2,112,838)
	<b>6,732,046</b>	<b>2,744,580</b>

## 9 Intangible assets

	<b>Goodwill EUR</b>
Cost beginning of year	2,510,181
Exchange rate adjustments	(1,189)
<b>Cost end of year</b>	<b>2,508,992</b>
Amortisation and impairment losses beginning of year	(270,702)
Amortisation for the year	(369,001)
<b>Amortisation and impairment losses end of year</b>	<b>(639,703)</b>
<b>Carrying amount end of year</b>	<b>1,869,289</b>

## 10 Property, plant and equipment

	<b>Plant and machinery EUR</b>	<b>Other fixtures and fittings, tools and equipment EUR</b>	<b>Leasehold improvements EUR</b>
Cost beginning of year	3,228,030	3,483,598	510,594
Exchange rate adjustments	(83,638)	(638)	(20)
Additions	416,044	168,049	0
Disposals	(73,368)	(242,436)	0
<b>Cost end of year</b>	<b>3,487,068</b>	<b>3,408,573</b>	<b>510,574</b>
Depreciation and impairment losses beginning of year	(1,986,809)	(2,281,784)	(475,443)
Depreciation for the year	(176,284)	(290,149)	(17,433)
Reversal regarding disposals	0	311,790	0
<b>Depreciation and impairment losses end of year</b>	<b>(2,163,093)</b>	<b>(2,260,143)</b>	<b>(492,876)</b>
<b>Carrying amount end of year</b>	<b>1,323,975</b>	<b>1,148,430</b>	<b>17,698</b>

## 11 Financial assets

	<b>Deposits EUR</b>
Cost beginning of year	346,686
Additions	117,955
<b>Cost end of year</b>	<b>464,641</b>
<b>Carrying amount end of year</b>	<b>464,641</b>

## 12 Deferred tax

	<b>2022/23</b>	<b>2021/22</b>
<b>Changes during the year</b>	<b>EUR</b>	<b>EUR</b>
Beginning of year	345,049	(323,277)
Recognised in the income statement	537,881	320,370
Disposal	(74,815)	347,956
<b>End of year</b>	<b>808,115</b>	<b>345,049</b>

### Deferred tax assets

Deferred tax consist of temporary differences on depreciation of tangible assets.

## 13 Prepayments

Prepayments recognised under assets include expenses incurred relating to subsequent financial years.

Prepayments are measured at cost.

## 14 Non-current liabilities other than provisions

	<b>Due within 12</b>	<b>Due within 12</b>	<b>Due after</b>
	<b>months</b>	<b>months</b>	<b>more than 12</b>
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Lease liabilities	112,009	141,506	325,794
Joint taxation contribution payable	0	0	708,977
Other payables	0	0	75,062
	<b>112,009</b>	<b>141,506</b>	<b>1,109,833</b>

## 15 Changes in working capital

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Increase/decrease in inventories	(269,876)	(15,337,634)
Increase/decrease in receivables	(966,623)	(5,684,083)
Increase/decrease in trade payables etc.	(4,438,406)	9,209,112
Other changes	(714,209)	0
	<b>(6,389,114)</b>	<b>(11,812,605)</b>

## 16 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which ETK Finans ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 17 Assets charged and collateral

Shares in all subsidiaries have been posted as security for bank debt and bank debt in ETK EMS Skanderborg A/S,

ETK EMS Sønderborg A/S, ETK EMS Næstved 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, ETK EMS Næstved A/S, and ETK EMS Frederikssund A/S.

### 18 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

### 19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
ETK Finans ApS, 8600 Skanderborg

### 20 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
ETK EMS Skanderborg A/S	Denmark	100.00
ETK EMS Sønderborg A/S	Denmark	100.00
ETK EMS Frederikssund A/S	Denmark	100.00
ETK EMS Næstved A/S	Denmark	100.00
ETK EMS Asia Ltd	Thailand	100.00

## Parent income statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Other external expenses		(53,305)	(18,313)
<b>Gross profit/loss</b>		<b>(53,305)</b>	<b>(18,313)</b>
Income from investments in group enterprises		6,815,778	3,419,007
Other financial income	2	108,690	0
Other financial expenses	3	(604,745)	(682,058)
<b>Profit/loss before tax</b>		<b>6,266,418</b>	<b>2,718,636</b>
Tax on profit/loss for the year	4	465,628	25,779
<b>Profit/loss for the year</b>	5	<b>6,732,046</b>	<b>2,744,415</b>



# Parent balance sheet at 30.06.2023

## Assets

	Notes	2022/23 EUR	2021/22 EUR
Investments in group enterprises		32,263,305	26,666,999
<b>Financial assets</b>	6	<b>32,263,305</b>	<b>26,666,999</b>
<b>Fixed assets</b>		<b>32,263,305</b>	<b>26,666,999</b>
Receivables from group enterprises		5,250,796	2,539,740
Joint taxation contribution receivable		269,422	32,984
<b>Receivables</b>		<b>5,520,218</b>	<b>2,572,724</b>
<b>Current assets</b>		<b>5,520,218</b>	<b>2,572,724</b>
<b>Assets</b>		<b>37,783,523</b>	<b>29,239,723</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23</b> <b>EUR</b>	<b>2021/22</b> <b>EUR</b>
Contributed capital		16,810	16,810
Reserve for net revaluation according to equity method		16,017,369	17,812,887
Retained earnings		1,126,705	(3,311,653)
Proposed dividend for the financial year		2,862,903	0
<b>Equity</b>		<b>20,023,787</b>	<b>14,518,044</b>
Bank loans		7,613,731	3,925,846
Trade payables		9,540	3,362
Payables to group enterprises		10,111,392	8,298,727
Payables to associates		0	2,493,744
Other payables		25,073	0
<b>Current liabilities other than provisions</b>		<b>17,759,736</b>	<b>14,721,679</b>
<b>Liabilities other than provisions</b>		<b>17,759,736</b>	<b>14,721,679</b>
<b>Equity and liabilities</b>		<b>37,783,523</b>	<b>29,239,723</b>
Events after the balance sheet date	1		
Employees	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Transactions with related parties	10		

# Parent statement of changes in equity for 2022/23

	Contributed capital EUR	Reserve for net revaluation according to the equity method EUR	Retained earnings EUR	Proposed dividend for the year EUR	Total EUR
Equity beginning of year	16,810	17,812,887	(3,311,653)	0	14,518,044
Exchange rate adjustments	0	(871,615)	(7,479)	0	(879,094)
Other entries on equity	0	(347,209)	0	0	(347,209)
Dividends from group enterprises	0	(7,392,473)	7,392,473	0	0
Profit/loss for the year	0	6,815,779	(2,946,636)	2,862,903	6,732,046
<b>Equity end of year</b>	<b>16,810</b>	<b>16,017,369</b>	<b>1,126,705</b>	<b>2,862,903</b>	<b>20,023,787</b>

A dividend of EUR 8.392.473 has been approved at ETK EMS Skanderborg A/S and ETK EMS Sønderborg A/S's general meeting before the general meeting in ETK EMS Group A/S. The approved dividend has been transferred to the free reserve.

# Notes to parent financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Other financial income

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Financial income from group enterprises	108,690	0
	<b>108,690</b>	<b>0</b>

## 3 Other financial expenses

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Financial expenses from group enterprises	289,314	612,740
Financial expenses from associates	88,557	48,463
Other interest expenses	226,874	20,855
	<b>604,745</b>	<b>682,058</b>

## 4 Tax on profit/loss for the year

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Current tax	(337,386)	(25,779)
Adjustment concerning previous years	(128,242)	0
	<b>(465,628)</b>	<b>(25,779)</b>

## 5 Proposed distribution of profit and loss

	<b>2022/23</b>	<b>2021/22</b>
	<b>EUR</b>	<b>EUR</b>
Ordinary dividend for the financial year	2,862,903	0
Extraordinary dividend distributed in the financial year	0	4,857,124
Retained earnings	3,869,143	(2,112,709)
	<b>6,732,046</b>	<b>2,744,415</b>

## 6 Financial assets

	<b>Investments in group enterprises EUR</b>
Cost beginning of year	8,853,463
<b>Cost end of year</b>	<b>8,853,463</b>
Revaluations beginning of year	17,813,536
Exchange rate adjustments	(871,615)
Amortisation of goodwill	(365,641)
Share of profit/loss for the year	7,181,419
Other adjustments	(347,857)
<b>Revaluations end of year</b>	<b>23,409,842</b>
<b>Carrying amount end of year</b>	<b>32,263,305</b>
Goodwill or negative goodwill recognised during the financial year	1,851,648

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

## 7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

## 8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which ETK Finans 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 9 Assets charged and collateral

Shares for all subsidiaries have been posted as security for bank debt and bank debt in ETK EMS Skanderborg A/S, ETK EMS Sønderborg A/S, ETK EMS Næstved A/S 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, ETK EMS Næstved A/S and ETK EMS Frederikssund A/S.

## 10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, however with some reclassifications.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

## 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.

### Other operating income

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

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

### Income from investments in group enterprises

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

### Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. It has not been possible to estimate useful life reliably, for which reason useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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

### Investments in group enterprises

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

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

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

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. It has not been possible to estimate useful life reliably, for which reason useful life has been set at 10 years.



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

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Inventories**

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Deferred tax**

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

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

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease

payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.