



## Etk Ems Sønderborg A/S

Augustenborg Landevej 7  
6400 Sønderborg  
CVR No. 39924595

## Annual report 01.07.2021 - 30.06.2022

The Annual General Meeting adopted the  
annual report on 16.12.2022

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**Peter Arndrup Poulsen**  
Chairman of the General Meeting

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# Entity details

## Entity

Etk Ems Sønderborg A/S  
Augustenborg Landevej 7  
6400 Sønderborg

Business Registration No.: 39924595  
Registered office: Sønderborg  
Financial year: 01.07.2021 - 30.06.2022

## Board of Directors

Thomas Vinter  
Torben Drejer  
Christian Møller Christensen  
Kurt Bering Sørensen  
Peter Arndrup Poulsen  
Mille Lindskrog Knudsen

## Executive Board

Thomas Vinter

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Etk Ems Sønderborg A/S for the financial year 01.07.2021 - 30.06.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022.

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.

Sønderborg, 16.12.2022

## Executive Board

**Thomas Vinter**

## Board of Directors

**Thomas Vinter**

**Torben Drejer**

**Christian Møller Christensen**

**Kurt Bering Sørensen**

**Peter Arndrup Poulsen**

**Mille Lindskrog Knudsen**

# Independent auditor's report

## To the shareholders of Etk Ems Sønderborg A/S

### Opinion

We have audited the financial statements of Etk Ems Sønderborg A/S for the financial year 01.07.2021 - 30.06.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2022 and of the results of its operations for the financial year 01.07.2021 - 30.06.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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 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 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 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 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.

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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Aarhus, 16.12.2022

**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

## Primary activities

The activities in year 2021-22 have, similar to previous years, consisted of development, production and trading of electronic components and equipment and the attached services.

## Development in activities and finances

The income statement for the year ending June 30th, 2022 shows an increase in revenue of 19 % and a profit for the year of EUR 1.484 mio.

The equity has increased from EUR 1,755 mio. to EUR 3,239 mio., and the equity ratio is at 54 %. The financial year 2021-22 has again been a satisfactory year for the shareholders.

The year was challenging, as we had to deal with multiple challenges arising from covid related restrictions and constraints, international unrest arising from the Russian invasion of Ukraine, global tensions leading to trade wars on materials and hoarding of components, and unprecedented price increases on raw materials, components and energy.

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

We have continued investing in new and improved technology for our production, and additional, new machinery will also be installed during 2022-23.

Our AI driven planning systems have secured increased efficiency at all production sites, and in parallel to this secured more independency for the individual employees.

ETK's Sourcing and Purchase teams have succeeded to secure components for our customers utilizing alternative routes. Intensive search and sourcing within the global broker market has proven to become a significant share of today's Purchase activities.

Our Sourcing and Purchase teams have also managed to work around the clock from Thailand, enabling them to act immediately even during working hours in Europe and in the US.

Our customers have also been very forthcoming in accepting alternative components and in working on re-designs.

The satisfactory increase in our revenue is a confirmation of our ability to scale and grow in a strong co-operation with our existing customers and to support them in their expansions.

The year 2021-22 has also brought new customers to the business where we have been able to diversify our skills and competencies to serve new product segments in new and developing markets within electric components.

ETK has experienced significant growth in several segments such as Robotics, Medico, Healthcare and Agriculture.

## 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.



# Income statement for 2021/22

	Notes	2021/22 EUR	2020/21 EUR
<b>Gross profit/loss</b>		<b>3,113,165</b>	<b>2,655,557</b>
Staff costs	2	(1,190,029)	(1,004,865)
Depreciation, amortisation and impairment losses	3	(28,327)	(38,839)
<b>Operating profit/loss</b>		<b>1,894,809</b>	<b>1,611,853</b>
Other financial income	4	26,621	6
Other financial expenses	5	(18,052)	(13,089)
<b>Profit/loss before tax</b>		<b>1,903,378</b>	<b>1,598,770</b>
Tax on profit/loss for the year	6	(419,044)	(351,797)
<b>Profit/loss for the year</b>		<b>1,484,334</b>	<b>1,246,973</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		1,484,334	1,246,973
<b>Proposed distribution of profit and loss</b>		<b>1,484,334</b>	<b>1,246,973</b>

# Balance sheet at 30.06.2022

## Assets

	Notes	2021/22 EUR	2020/21 EUR
Goodwill		21,013	24,374
<b>Intangible assets</b>	7	<b>21,013</b>	<b>24,374</b>
Other fixtures and fittings, tools and equipment		28,250	53,215
<b>Property, plant and equipment</b>	8	<b>28,250</b>	<b>53,215</b>
Deposits		3,136	2,141
<b>Financial assets</b>		<b>3,136</b>	<b>2,141</b>
<b>Fixed assets</b>		<b>52,399</b>	<b>79,730</b>
Raw materials and consumables		999,188	678,173
Manufactured goods and goods for resale		508,084	183,485
Prepayments for goods		31,531	34,226
<b>Inventories</b>		<b>1,538,803</b>	<b>895,884</b>
Trade receivables		1,325,233	1,183,968
Receivables from group enterprises		2,987,401	0
Deferred tax		51,215	4,918
<b>Receivables</b>		<b>4,363,849</b>	<b>1,188,886</b>
<b>Cash</b>		<b>3,416</b>	<b>1,205,584</b>
<b>Current assets</b>		<b>5,906,068</b>	<b>3,290,354</b>
<b>Assets</b>		<b>5,958,467</b>	<b>3,370,084</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22</b> <b>EUR</b>	<b>2020/21</b> <b>EUR</b>
Contributed capital		67,240	67,240
Retained earnings		3,171,549	1,687,961
<b>Equity</b>		<b>3,238,789</b>	<b>1,755,201</b>
Bank loans		786,148	0
Prepayments received from customers		70,371	0
Trade payables		689,168	807,694
Payables to group enterprises		923	102,009
Income tax payable		818,492	353,299
Other payables		354,576	351,881
<b>Current liabilities other than provisions</b>		<b>2,719,678</b>	<b>1,614,883</b>
<b>Liabilities other than provisions</b>		<b>2,719,678</b>	<b>1,614,883</b>
<b>Equity and liabilities</b>		<b>5,958,467</b>	<b>3,370,084</b>

Events after the balance sheet date	1
Unrecognised rental and lease commitments	9
Contingent liabilities	10

# Statement of changes in equity for 2021/22

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	67,240	1,687,961	1,755,201
Exchange rate adjustments	0	(746)	(746)
Profit/loss for the year	0	1,484,334	1,484,334
<b>Equity end of year</b>	<b>67,240</b>	<b>3,171,549</b>	<b>3,238,789</b>

# Notes

## 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 Staff costs

	<b>2021/22</b>	<b>2020/21</b>
	<b>EUR</b>	<b>EUR</b>
Wages and salaries	1,080,702	916,815
Pension costs	88,110	68,170
Other social security costs	21,217	19,880
	<b>1,190,029</b>	<b>1,004,865</b>
Average number of full-time employees	<b>25</b>	<b>19</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2021/22</b>	<b>2020/21</b>
	<b>EUR</b>	<b>EUR</b>
Amortisation of intangible assets	3,361	3,362
Depreciation of property, plant and equipment	23,547	35,477
Profit/loss from sale of intangible assets and property, plant and equipment	1,419	0
	<b>28,327</b>	<b>38,839</b>

## 4 Other financial income

	<b>2021/22</b>	<b>2020/21</b>
	<b>EUR</b>	<b>EUR</b>
Financial income from group enterprises	26,143	0
Other interest income	478	6
	<b>26,621</b>	<b>6</b>

## 5 Other financial expenses

	<b>2021/22</b>	<b>2020/21</b>
	<b>EUR</b>	<b>EUR</b>
Financial expenses from group enterprises	0	2,182
Other interest expenses	18,052	10,907
	<b>18,052</b>	<b>13,089</b>

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

	<b>2021/22</b>	<b>2020/21</b>
	<b>EUR</b>	<b>EUR</b>
Current tax	465,343	353,299
Change in deferred tax	(46,299)	(1,502)
	<b>419,044</b>	<b>351,797</b>

**7 Intangible assets**

	<b>Goodwill</b>
	<b>EUR</b>
Cost beginning of year	33,620
<b>Cost end of year</b>	<b>33,620</b>
Amortisation and impairment losses beginning of year	(9,246)
Amortisation for the year	(3,361)
<b>Amortisation and impairment losses end of year</b>	<b>(12,607)</b>
<b>Carrying amount end of year</b>	<b>21,013</b>

**8 Property, plant and equipment**

	<b>Other fixtures and fittings, tools and equipment</b>
	<b>EUR</b>
Cost beginning of year	183,230
Disposals	(4,926)
<b>Cost end of year</b>	<b>178,304</b>
Depreciation and impairment losses beginning of year	(130,015)
Depreciation for the year	(23,547)
Reversal regarding disposals	3,508
<b>Depreciation and impairment losses end of year</b>	<b>(150,054)</b>
<b>Carrying amount end of year</b>	<b>28,250</b>

## 9 Unrecognised rental and lease commitments

	2021/22	2020/21
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	<b>597,613</b>	<b>0</b>

## 10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where 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. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## 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.

## Income statement

### Gross profit

Gross profit comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary 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 salaries and wages, 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 plant and equipment.

**Other financial income**

Other financial income comprises 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.

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 Years</b>
Other fixtures and fittings, tools and equipment	3-8 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.

### **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.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

### **Receivables**

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

### **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.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **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.

### **Tax receivable or payable**

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