



ETK EMS SØNDERBORG A/S

Augustenborg Landevej 7
6400 Sønderborg

CVR no. 39 92 45 95

ANNUAL REPORT FOR 2019/20

(2. Financial year)



Adopted at the annual general
meeting on
26. november 2020

chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of ETK EMS Sønderborg A/S for the financial year 1 July 2019 - 30 June 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2020 and of the results of the company's operations for the financial year 1 July 2019 - 30 June 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Sønderborg, 26 November 2020

Executive board

Thomas Vinter
President

Supervisory board

Torben Drejer

Thomas Vinter

Steen Thy Thygesen

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 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2020 and of the results of the company's operations for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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.

INDEPENDENT AUDITOR'S REPORT

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, 26 November 2020

ADVOSION

Statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64

Henrik Hansen
Statsautoriseret revisor
MNE no. mne21336

Ole Christensen
Statsautoriseret revisor
MNE no. mne3602

COMPANY DETAILS

The company

ETK EMS Sønderborg A/S
Augustenborg Landevej 7
6400 Sønderborg

CVR no.: 39 92 45 95

Reporting period: 1 July 2019 - 30 June 2020

Domicile: Sønderborg

Supervisory board

Torben Drejer
Thomas Vinter
Steen Thy Thygesen

Executive board

Thomas Vinter

Auditors

ADVOSION
Statsautoriseret revisionspartnerselskab
Krøyer Kielbergs Vej 3, 5 th.
8660 Skanderborg

MANAGEMENT'S REVIEW

Business review

The year's activity has consisted of fabrication of and trading in electronic equipment and expertise concerning such.

Financial review

The company's income statement for the year ended 30 June 2020 shows a profit of EUR 268,832, and the balance sheet at 30 June 2020 shows equity of EUR 507,095.

The financial year 2019/20 have been yet another successful year for ETK EMS Sønderborg A/S where the result have been very satisfactory for the shareholders.

The result for 2019/20 followed the trend from previous years and ETK EMS Group have continuously shown capability to make profit on the activity level provided by our global customers.

The world and the market have for sure shown to be changeable and unpredictable and the need for fast changes and adaption have become imperative. ETK EMS have really had benefit of the long-term transformation into a strong digitalized company. ETK EMS started 20 years ago to digitalize the cooperation downstream towards our suppliers and in the last decade, it have been upstream towards the customers. The last few years the digitalization and AI have been top focus in the production environment.

Our set-up with global back office in Thailand have during the last year been extended to even further assignments especially within global robotics programming and now the back office is covering majority of the daily tasks to run an EMS site overseas. Tasks strongly supported by high intensive digitalization.

During the last year, we have extended our investment in the global Key Account management team. New customers have signed contracts and business especially within Medico, Food and IoT have had strong development. Growth in these segments have had extraordinary positive effect to all the Danish sites.

Significant events occurring after the end of the financial year

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

Expected development

After the first quarter of financial year, 2020/21 the expectation is to reach a result in the level of previous years. The first quarter of 2020/21 have actually been the strongest ever at our Danish sites.

ETK EMS Group expect result for 2020/21 to be in line with the previous years and by that very satisfactory to the shareholders.

MANAGEMENT'S REVIEW

Environment

ETK EMS daily global CO₂ emissions decreased by -8% (180 ton) during last year especial supported by the Intelligent Power Control. The target is to reduce CO₂ emissions additional by 22% towards 2025 to reach the “30% in 5 years” target set by management.

Corporate social responsibility

The 17 sustainable development goals set by UN continue to be part of the agenda on activities internal as well as towards suppliers and customers. This year our CSR program have extended so ETK EMS Group have become “family” member of the organization KidsAid. An organization supporting sick kids and their families so they can forget about their situation just for a short while.

ACCOUNTING POLICIES

The annual report of ETK EMS Sønderborg A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards large entities.

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

The annual report for 2019/20 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.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

ACCOUNTING POLICIES

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

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

Other external expenses

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts 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.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

ACCOUNTING POLICIES

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Andre anlæg, driftsmateriel og inventar	3-8 years	0 %

Assets costing less than EUR 1,892 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

ACCOUNTING POLICIES

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

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.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

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.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

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.

Deferred income

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

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>	1. July 2019 - 30. June 2020 EUR	8. Oct. 2018 - 30. June 2019 EUR
Gross profit		1,333,934	993,989
Staff costs	1	<u>-921,795</u>	<u>-703,330</u>
Profit/loss before amortisation/depreciation and impairment losses		412,139	290,659
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-53,406</u>	<u>-46,722</u>
Profit/loss before net financials		358,733	243,937
Financial income	3	4,452	263
Financial costs	4	<u>-18,460</u>	<u>-25,029</u>
Profit/loss before tax		344,725	219,171
Tax on profit/loss for the year	5	<u>-75,893</u>	<u>-48,252</u>
Profit/loss for the year		<u>268,832</u>	<u>170,919</u>
Retained earnings		<u>268,832</u>	<u>170,919</u>
		<u>268,832</u>	<u>170,919</u>

BALANCE SHEET 30 JUNE

	Note	2020 EUR	2019 EUR
Assets			
Goodwill		27,675	30,982
Intangible assets	6	27,675	30,982
Other fixtures and fittings, tools and equipment		88,494	111,543
Tangible assets	7	88,494	111,543
Deposits		2,078	1,140
Fixed asset investments		2,078	1,140
Total non-current assets		118,247	143,665
Raw materials and consumables		313,035	66,188
Finished goods and goods for resale		374,810	378,173
Stocks		687,845	444,361
Trade receivables		575,315	446,027
Receivables from subsidiaries		149,611	469,209
Other receivables		0	33,495
Deferred tax asset		3,408	660
Receivables		728,334	949,391
Cash at bank and in hand		126,865	41,191
Total current assets		1,543,044	1,434,943
Total assets		1,661,291	1,578,608

BALANCE SHEET 30 JUNE

	Note	2020 EUR	2019 EUR
Equity and liabilities			
Share capital		67,090	66,990
Retained earnings		440,005	170,918
Equity		507,095	237,908
Other payables		73,070	0
Total non-current liabilities	8	73,070	0
Banks		165,083	38
Trade payables		370,320	349,775
Payables to subsidiaries		175,244	660,448
Corporation tax		78,641	48,912
Other payables		291,838	281,527
Total current liabilities		1,081,126	1,340,700
Total liabilities		1,154,196	1,340,700
Total equity and liabilities		1,661,291	1,578,608
Mortgages and collateral	9		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 1 July 2019	66,990	170,918	237,908
Exchange adjustments	100	255	355
Net profit/loss for the year	0	268,832	268,832
Equity at 30 June 2020	67,090	440,005	507,095

NOTES

	1. July 2019 - 30. June 2020	8. Oct. 2018 - 30. June 2019
	EUR	EUR
1 Staff costs		
Wages and salaries	841,985	641,729
Pensions	61,715	49,586
Other social security costs	18,095	12,015
	921,795	703,330
	921,795	703,330
Average number of employees	18	15
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	3,355	2,512
Depreciation tangible assets	50,051	44,210
	53,406	46,722
	53,406	46,722
3 Financial income		
Interest received from subsidiaries	4,452	263
	4,452	263
	4,452	263
4 Financial costs		
Financial expenses, group entities	16,113	24,944
Other financial costs	2,347	85
	18,460	25,029
	18,460	25,029

NOTES

	1. July 2019 - 30. June 2020	8. Oct. 2018 - 30. June 2019
	EUR	EUR
5 Tax on profit/loss for the year		
Current tax for the year	78,641	48,912
Deferred tax for the year	-2,748	-660
	75,893	48,252
	75,893	48,252
 6 Intangible assets		
		Goodwill
Cost at 1 July 2019		33,494
Exchange adjustment		51
Cost at 30 June 2020		33,545
Impairment losses and amortisation at 1 July 2019		2,512
Exchange adjustment		3
Amortisation for the year		3,355
Impairment losses and amortisation at 30 June 2020		5,870
Carrying amount at 30 June 2020		27,675

NOTES

7 Tangible assets

	Other fixtures and fittings, tools and equip- ment
Cost at 1 July 2019	155,753
Exchange adjustment	232
Additions for the year	26,836
Cost at 30 June 2020	182,821
Impairment losses and depreciation at 1 July 2019	44,210
Exchange adjustment	66
Depreciation for the year	50,051
Impairment losses and depreciation at 30 June 2020	94,327
Carrying amount at 30 June 2020	88,494

8 Long term debt

	Debt at 1 July 2019	Debt at 30 June 2020	Instalment next year	Debt outstan- ding after 5 years
Other payables	0	73,070	0	0
	0	73,070	0	0

9 Mortgages and collateral

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 NEM ID
PID: 9208-2002-2-269732078202
Tidspunkt for underskrift: 30-11-2020 kl.: 15:35:40
Underskrevet med NemID

Thomas Vinter

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-269732078202
Tidspunkt for underskrift: 30-11-2020 kl.: 15:35:40
Underskrevet med NemID

Torben Drejer

Som Bestyrelsesformand NEM ID
PID: 9208-2002-2-524227610479
Tidspunkt for underskrift: 30-11-2020 kl.: 16:15:57
Underskrevet med NemID

Steen Thy Tygesen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-096572777608
Tidspunkt for underskrift: 01-12-2020 kl.: 16:27:00
Underskrevet med NemID

Henrik Hansen

Som Revisor NEM ID
RID: 80810872
Tidspunkt for underskrift: 02-12-2020 kl.: 08:52:44
Underskrevet med NemID

Ole Christensen

Som Revisor NEM ID
RID: 80351951
Tidspunkt for underskrift: 01-12-2020 kl.: 16:38:35
Underskrevet med NemID

Thomas Vinter

Som Dirigent NEM ID
PID: 9208-2002-2-269732078202
Tidspunkt for underskrift: 02-12-2020 kl.: 13:48:27
Underskrevet med NemID

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