# Ecomal Denmark A/S

Kirke Værløsevej 18 C, 3500 Værløse

Company reg. no. 40 21 09 11

# Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 28 February 2020.

Henrik Fabrin Chairman of the meeting

#### Notes:

• To ensure the greatest possible applicability of this document, British English terminology has been used.

• Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.





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## Management's report

The board of directors and the managing director have today presented the annual report of Ecomal Denmark A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Værløse, 28 February 2020

**Managing Director** 

Henrik Fabrin

Board of directors

Martin Otto Emil Karl Behlke

Chairman

Henrik Fabrin



## Independent auditor's report

#### To the shareholders of Ecomal Denmark A/S

#### Opinion

We have audited the annual accounts of Ecomal Denmark A/S for the financial year 1 January to 31 December 2019, which comprise profit and loss account, balance sheet, notes and accounting policies used. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

## The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:



## Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the
  disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

## Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.



## Independent auditor's report

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 28 February 2020

Christensen Kjærulff

State Authorised Public Accountant

mne42832



## Company data

The company

Ecomal Denmark A/S

Kirke Værløsevej 18 C

3500 Værløse

Company reg. no.

40 21 09 11

Established:

1 March 1972

Domicile:

Værløse

Financial year:

1 January - 31 December

**Board of directors** 

Martin Otto Emil Karl Behlke, Chairman

Dirk Sandmann Henrik Fabrin

**Managing Director** 

Henrik Fabrin

Auditors

Christensen Kjærulff

Statsautoriseret Revisionsaktieselskab

Store Kongensgade 68 1264 København K

Parent company

Vishay Europe GmbH



## Management's review

# The principal activities of the company

The Company's acitivities comprise trading in electronic components.

## Events subsequent to the financial year

No events occurred after the balance sheet date that affects the financial position of the Company materially.



# Profit and loss account 1 January - 31 December

## All amounts in DKK.

Note		2019	2018
	Gross profit	7.089.837	3.576.317
1.	Staff costs	-6,257.049	-2.163.556
2	Depreciation and writedown relating to tangible fixed assets	-86.400	-89.106
	Operating profit	746.388	1.323.655
3	Other financial costs	-96,069	-299.537
	Results before tax	650.319	1.024.118
4	Tax on ordinary results	-161.275	-239.591
,	Results for the year	489.044	784.527
	Proposed distribution of the results:		
	Allocated to results brought forward	489.044	784,527
	Distribution in total	489.044	784.527



# Balance sheet 31 December

## All amounts in DKK.

Not	Assets	2019	2018
	Fixed assets		
5	Other plants, operating assets, and fixtures and furniture	166.667	253.067
	Tangible fixed assets in total	166.667	253.067
	Fixed assets in total	166.667	253.067
	Current assets		
	Trade debtors	8.484.460	9.281.796
	Deferred tax assets	731.861	0
	Receivable corporate tax	0	7.026
	Other debtors	43.671	51,538
	Accrued income and deferred expenses	84.693	70.281
	Debtors in total	9.344.685	9.410.641
	Available funds	14.226.608	11.439.137
	Current assets in total	23.571.293	20.849.778
	Assets in total	23.737.960	21.102.845



## Balance sheet 31 December

## All amounts in DKK.

	Equity and liabilities		
Not	e -	2019	2018
	Equity		
6	Contributed capital	1.000.000	1.000.000
7	Results brought forward	17.598.788	17.109.744
	Equity in total	18.598.788	18.109.744
	Provisions		
	Provisions for deferred tax	0	21.558
	Other provisions	3.377.000	16.000
	Provisions in total	3.377.000	37.558
	Liabilities		
	Trade creditors	160.326	2.022.413
	Corporate tax	714.694	0
	Other debts	887.152	933.130
	Short-term liabilities in total	1.762.172	2.955.543
	Liabilities in total	1.762.172	2.955.543
	Equity and liabilities in total	23.737.960	21.102.845

## 8 Contingencies



# Notes

Alla	mounts in DKK.		
		2019	2018
1.	Staff costs		
	Salaries and wages	6.046.498	2.007.318
	Other costs for social security	210.551	156.238
		6.257.049	2.163.556
	Average number of employees	5	5
2.	Depreciation and writedown relating to tangible fixed assets		
	Amortisation of concessions, patents and licences	3.067	3.680
	Depreciation on plants, operating assets, fixtures and furniture	83.333	85.426
		86.400	89.106
3.	Other financial costs		
	Other financial costs	96.069	299.537
		96.069	299.537
4.	Tax on ordinary results		
••	Tax of the results for the year, parent company	914.694	246.565
	Adjustment for the year of deferred tax	-753.419	-6.974
	-	161.275	239.591



# Notes

All a	mounts in DKK.		
		31/12 2019	31/12 2018
5.	Other plants, operating assets, and fixtures and furniture		
	Cost 1 January 2019	653.139	653,139
	Cost 31 December 2019	653.139	653.139
	Amortisation and writedown 1 January 2019 Depreciation for the year	-400.072 -86.400	-310.966 -89.106
	Amortisation and writedown 31 December 2019	-486,472	-400.072
	Book value 31 December 2019	166.667	253.067
6.	Contributed capital		
	Contributed capital 1 January 2019	1.000.000	1.000.000
		1.000.000	1.000.000
7.	Results brought forward		
	Results brought forward 1 January 2019	17.109.744	16.325.217
	Profit or loss for the year brought forward	489.044	784.527
		17.598.788	17.109.744
8.	Contingencies		
	Contingent liabilities		DKK in thousands
	Contingent liabilities in total		122



The annual report for Ecomal Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

#### Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

#### Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.



Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

## The profit and loss account

#### Gross profit

The gross profit comprises the net turnover, cost of raw material and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

#### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.



#### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

#### The balance sheet

### Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

Other plants, operating assets, fixtures and furniture

Useful life Residual value
3-5 years 0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.



#### Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases and rental agreements are recognised under contingencies etc.

#### Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

#### Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

#### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

#### Available funds

Available funds comprise cash at bank and in hand.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.



Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

On the acquisition of enterprises, provisions for restructuring within the acquired enterprise is included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been approved and announced on the date of acquisition at the latest.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

#### Liabilities

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