



ETK EMS GROUP ApS

Industrivej 45
8660 Skanderborg
CVR No. 27523188

Annual report 01.07.2023 - 30.06.2024

The Annual General Meeting adopted the annual
report on 19.12.2024

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: 01.07.2023 - 30.06.2024

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 01.07.2023 - 30.06.2024.

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 30.06.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2023 - 30.06.2024.

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, 19.12.2024

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 01.07.2023 - 30.06.2024, 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 30.06.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2023 - 30.06.2024 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Skanderborg, 19.12.2024

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

	2023/24	2022/23
	EUR'000	EUR'000
Key figures		
Revenue	55,850	61,842
Gross profit/loss	14,018	15,876
Operating profit/loss	626	3,030
Net financials	798	2,217
Profit/loss for the year	1,377	4,489
Balance sheet total	42,586	54,260
Investments in property, plant and equipment	2,879	584
Equity	10,879	16,182
Cash flows from operating activities	8,283	(447)
Cash flows from investing activities	(2,753)	(301)
Cash flows from financing activities	(4,378)	(699)
Ratios		
Gross margin (%)	25.10	25.67
Net margin (%)	2.47	7.26
Equity ratio (%)	25.55	29.82

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 2023/24 have, similar to previous years, consisted of 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, 2024, shows a profit for the year of EUR 1,377k and an equity of EUR 10.9 mio.

Profit/loss for the year in relation to expected developments

We expected a challenging year with a softening of demand, and this has been the situation. During the latter part of the year several of the industries the company's customers operate in are impacted by an economic slowdown leading to lower demand, requests to postpone orders and customer de-stocking to secure liquidity as part of their risk mitigation.

Despite this slowdown the group has delivered positive cash flow of EUR 1.2 mio through working capital management and has continued investing in new and improved technology for our production eg. with the implementation of the single largest capacity investment in the history of the company. Additionally, further optimization of our digital setup and planning systems has been implemented, enabling improved control over component scheduling, capacity utilization and delivery service to our customers. Furthermore, the company has initiated production efficiency and quality initiatives to secure continued and improved customer satisfaction. On the sales and marketing side the company has sharpened its profile, intensified and focused sales resources to enable capturing of market possibilities, and the company has managed to both attract and start up important and major new customers during the year.

One time cost has been recognized for a generational change of the management of the company and for severances.

In preparation for the annual audit misstatements and errors have been identified in the previous year's financial provisions for withholding tax-, salary-, VAT-, inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total negative adjustment of EUR 3.8 mio on equity.

Management does not consider the result of the financial year satisfactory.

Outlook

We expect to continue investing in the long-term growth of the company by strengthening competitiveness and better positioning ETK to meet customer demands. We anticipate lower market activity in the coming year with a later normalization of market activity than initially expected. The earnings outlook is between EUR 0 mio. and 2 mio. , along with a continued controlled management of liquidity.

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 331 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.

A key project this year is also to conduct the Double Materiality analysis and be capable of reporting according to the Corporate Social Reporting Directive (CSRD)

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

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 Responsible Buyers Act (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

2023/24

Supreme management body

Total number of members	4
Underrepresented gender (%)	0.00
Target figures (%)	40.00

Our Board of Directors consist of a total of six 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 four persons, all of them men. And at the next level of management, we currently have five women and seven men, whereas we have a total split in the organization of 71% women and 26% men. Our policy, 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 aim to 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.

2023/24

Other management levels

Total number of members	12
Underrepresented gender (%)	42.00
Target figures (%)	40.00

Statutory report on data ethics policy

Working responsibly and ethically with data is already an important task for us. We have established policies and compliance with the data protection / GDPR act as well as cyber security topics to protect data of our employees as well as in relation to marketing and sales activities to manage business partner data in the right way. Regarding transparency all employees are informed about which data we collect, and how it will be used and shared. It is stated in the GDPR policy in the employee handbook and data is only collected for specified, legitimate purposes.

In FY 2023-24 we have not yet established a data ethics policy , as we consider the data protection activities to fulfill actual requirements. It is our aim to become ISO 27001 certified in FY 2024-25 and a project has been initiated to further strengthen the area.

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 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Revenue	2	55,850,213	61,841,985
Other operating income		206,508	326,776
Cost of sales		(37,217,413)	(41,777,381)
Other external expenses		(4,821,321)	(4,515,878)
Gross profit/loss		14,017,987	15,875,502
Staff costs	3	(12,348,133)	(11,992,961)
Depreciation, amortisation and impairment losses	4	(1,043,629)	(852,867)
Operating profit/loss		626,225	3,029,674
Other financial income from group enterprises		0	105,871
Other financial income	5	2,250,757	3,450,946
Other financial expenses	6	(1,452,650)	(1,339,480)
Profit/loss before tax		1,424,332	5,247,011
Tax on profit/loss for the year	7	(47,750)	(758,145)
Profit/loss for the year	8	1,376,582	4,488,866

Consolidated balance sheet at 30.06.2024

Assets

	Notes	2023/24 EUR	2022/23 EUR
Goodwill		1,500,288	1,869,289
Intangible assets	9	1,500,288	1,869,289
Plant and machinery		2,418,571	1,323,975
Other fixtures and fittings, tools and equipment		2,226,829	1,148,430
Leasehold improvements		28,386	17,698
Property, plant and equipment	10	4,673,786	2,490,103
Deposits		377,306	464,641
Financial assets	11	377,306	464,641
Fixed assets		6,551,380	4,824,033
Raw materials and consumables		19,810,848	24,233,212
Work in progress		244,529	1,521,788
Manufactured goods and goods for resale		1,252,346	2,957,414
Prepayments for goods		138,865	340,650
Inventories		21,446,588	29,053,064

Trade receivables		8,902,180	10,236,399
Receivables from group enterprises		1,413,783	2,752,277
Deferred tax	12	938,172	808,115
Other receivables		175,164	163,623
Prepayments	13	74,429	108,051
Receivables		11,503,728	14,068,465
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Cash		3,084,561	6,314,553
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Current assets		36,034,877	49,436,082
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Assets		42,586,257	54,260,115
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Equity and liabilities

	Notes	2023/24 EUR	2022/23 EUR
Contributed capital		16,810	16,810
Retained earnings		10,862,340	13,302,456
Proposed dividend for the financial year		0	2,862,903
Equity		10,879,150	16,182,169
Lease liabilities		1,303,056	325,794
Joint taxation contribution payable		15,491	708,977
Other payables		294,900	276,675
Non-current liabilities other than provisions	14	1,613,447	1,311,446
Current portion of non-current liabilities other than provisions	14	308,269	112,009
Bank loans		9,327,650	14,176,231
Prepayments received from customers		8,769,242	9,260,939
Trade payables		6,860,997	8,349,943
Payables to group enterprises		715,290	0
Tax payable		98,356	493,234
Joint taxation contribution payable		720,219	737,703
Other payables		3,293,637	3,636,441
Current liabilities other than provisions		30,093,660	36,766,500
Liabilities other than provisions		31,707,107	38,077,946
Equity and liabilities		42,586,257	54,260,115
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Non-arm's length related party transactions	19		
Group relations	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2023/24

	Contributed capital EUR	Retained earnings EUR	Proposed extraordinary dividend EUR	Proposed dividend for the financial year EUR	Total EUR
Equity beginning of year	16,810	17,144,073	0	2,862,903	20,023,786
Adjustment of material errors	0	(3,841,617)	0	0	(3,841,617)
Adjusted equity, beginning of year	16,810	13,302,456	0	2,862,903	16,182,169
Ordinary dividend paid	0	0	0	(2,862,903)	(2,862,903)
Extraordinary dividend paid	0	0	(2,688,172)	0	(2,688,172)
Exchange rate adjustments	0	(75,336)	0	0	(75,336)
Other entries on equity	0	(1,053,190)	0	0	(1,053,190)
Profit/loss for the year	0	(1,311,590)	2,688,172	0	1,376,582
Equity end of year	16,810	10,862,340	0	0	10,879,150

Consolidated cash flow statement for 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Operating profit/loss		626,225	3,029,674
Amortisation, depreciation and impairment losses		1,025,718	783,511
Working capital changes	15	7,582,812	(4,145,934)
Cash flow from ordinary operating activities		9,234,755	(332,749)
Financial income received		1,293,828	1,499,820
Financial expenses paid		(961,856)	(893,665)
Taxes refunded/(paid)		(1,283,655)	(720,286)
Cash flows from operating activities		8,283,072	(446,880)
Acquisition etc. of property, plant and equipment		(2,878,873)	(499,797)
Sale of property, plant and equipment		38,473	315,804
Other cash flows from investing activities		87,335	(116,766)
Cash flows from investing activities		(2,753,065)	(300,759)
Free cash flows generated from operations and investments before financing		5,530,007	(747,639)
Loans raised		1,498,287	0
Repayments of loans etc.		(324,765)	(699,093)
Dividend paid		(5,551,075)	0
Cash flows from financing activities		(4,377,553)	(699,093)
Increase/decrease in cash and cash equivalents		1,152,454	(1,446,732)
Cash and cash equivalents beginning of year		(7,861,678)	(7,969,817)
Currency translation adjustments of cash and cash equivalents		466,135	1,554,871
Cash and cash equivalents end of year		(6,243,089)	(7,861,678)

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

Cash	3,084,561	6,314,553
Short-term bank loans	(9,327,650)	(14,176,231)
Cash and cash equivalents end of year	(6,243,089)	(7,861,678)

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

	2023/24 EUR	2022/23 EUR
Denmark	47,546,880	50,720,268
EU	2,755,954	2,813,981
Non EU	5,547,379	8,307,736
Total revenue by geographical market	55,850,213	61,841,985

3 Staff costs

	2023/24 EUR	2022/23 EUR
Wages and salaries	11,300,688	11,020,507
Pension costs	840,332	765,447
Other social security costs	207,113	207,007
	12,348,133	11,992,961

Average number of full-time employees	331	321
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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

	2023/24 EUR	2022/23 EUR
Amortisation of intangible assets	369,001	369,001
Depreciation on property, plant and equipment	674,628	483,866
	1,043,629	852,867

5 Other financial income

	2023/24	2022/23
	EUR	EUR
Other interest income	1,293,828	1,393,949
Exchange rate adjustments	956,929	2,056,997
	2,250,757	3,450,946

6 Other financial expenses

	2023/24	2022/23
	EUR	EUR
Financial expenses from associates	0	131,199
Other interest expenses	961,856	732,896
Exchange rate adjustments	490,794	445,815
Other financial expenses	0	29,570
	1,452,650	1,339,480

7 Tax on profit/loss for the year

	2023/24	2022/23
	EUR	EUR
Current tax	177,807	1,334,978
Change in deferred tax	(130,057)	(463,066)
Adjustment concerning previous years	0	(113,767)
	47,750	758,145

8 Proposed distribution of profit/loss

	2023/24	2022/23
	EUR	EUR
Ordinary dividend for the financial year	0	2,862,903
Extraordinary dividend distributed in the financial year	2,688,172	0
Retained earnings	(1,311,590)	1,625,963
	1,376,582	4,488,866

9 Intangible assets

	Goodwill
	EUR
Cost beginning of year	3,946,922
Cost end of year	3,946,922
Amortisation and impairment losses beginning of year	(2,077,633)
Amortisation for the year	(369,001)
Amortisation and impairment losses end of year	(2,446,634)
Carrying amount end of year	1,500,288

10 Property, plant and equipment

	Plant and machinery EUR	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR
Cost beginning of year	3,487,068	3,408,572	510,574
Additions	1,255,256	1,592,502	31,115
Disposals	0	(38,473)	0
Cost end of year	4,742,324	4,962,601	541,689
Depreciation and impairment losses beginning of year	(2,163,093)	(2,260,142)	(492,876)
Depreciation for the year	(160,660)	(493,541)	(20,427)
Reversal regarding disposals	0	17,911	0
Depreciation and impairment losses end of year	(2,323,753)	(2,735,772)	(513,303)
Carrying amount end of year	2,418,571	2,226,829	28,386
Recognised assets not owned by Entity	0	1,863,841	0

11 Financial assets

	Deposits EUR
Cost beginning of year	464,641
Disposals	(87,335)
Cost end of year	377,306
Carrying amount end of year	377,306

12 Deferred tax

	2023/24 EUR	2022/23 EUR
Intangible assets	(2,016)	(1,747)
Property, plant and equipment	(331,048)	(55,511)
Inventories	555,242	769,002
Liabilities other than provisions	354,570	96,371
Tax losses carried forward	361,424	0
Deferred tax	938,172	808,115
	2023/24 EUR	2022/23 EUR
Changes during the year		
Beginning of year	808,115	345,049
Recognised in the income statement	130,057	463,066
End of year	938,172	808,115

Deferred tax assets

Deferred tax consist of temporary differences between tangible assets, which are expected to be used within 3 - 5 years.

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

	Due within 12 months 2023/24 EUR	Due within 12 months 2022/23 EUR	Due after more than 12 months 2023/24 EUR	Outstanding after 5 years 2023/24 EUR
Lease liabilities	308,269	112,009	1,303,056	174,731
Joint taxation contribution payable	0	0	15,491	0
Other payables	0	0	294,900	294,900
	308,269	112,009	1,613,447	469,631

15 Changes in working capital

	2023/24 EUR	2022/23 EUR
Increase/decrease in inventories	5,576,343	(2,176,464)
Increase/decrease in receivables	2,626,947	(917,216)
Increase/decrease in trade payables etc.	(416,410)	(345,744)
Other changes	(204,068)	(706,510)
	7,582,812	(4,145,934)

16 Unrecognised rental and lease commitments

	2023/24 EUR	2022/23 EUR
Total liabilities under rental or lease agreements until maturity	5,493,786	6,325,449

17 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.

18 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, and ETK EMS Næstved A/S.

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

19 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.

20 Group relations

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

21 Subsidiaries

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

Parent income statement for 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Other external expenses		(53,913)	(53,305)
Gross profit/loss		(53,913)	(53,305)
Income from investments in group enterprises		1,865,775	4,572,598
Other financial income	2	155,015	108,690
Financial expenses from group enterprises		(390,364)	(257,968)
Other financial expenses	3	(337,808)	(346,777)
Profit/loss before tax		1,238,705	4,023,238
Tax on profit/loss for the year	4	137,877	465,628
Profit/loss for the year	5	1,376,582	4,488,866

Parent balance sheet at 30.06.2024

Assets

	Notes	2023/24 EUR	2022/23 EUR
Investments in group enterprises		12,512,612	28,421,687
Financial assets	6	12,512,612	28,421,687
Fixed assets		12,512,612	28,421,687
Receivables from group enterprises		971,656	5,250,795
Deferred tax	7	123,118	0
Joint taxation contribution receivable		130,173	269,423
Receivables		1,224,947	5,520,218
Cash		198,104	0
Current assets		1,423,051	5,520,218
Assets		13,935,663	33,941,905

Equity and liabilities

	Notes	2023/24	2022/23
		EUR	EUR
Contributed capital		16,810	16,810
Reserve for net revaluation according to equity method		1,239,794	12,175,102
Retained earnings		9,622,546	1,127,354
Proposed dividend for the financial year		0	2,862,903
Equity		10,879,150	16,182,169
Bank loans		0	7,613,731
Trade payables		21,274	9,540
Payables to group enterprises		2,942,663	10,111,392
Other payables		92,576	25,073
Current liabilities other than provisions		3,056,513	17,759,736
Liabilities other than provisions		3,056,513	17,759,736
Equity and liabilities		13,935,663	33,941,905

Events after the balance sheet date	1
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Parent statement of changes in equity for 2023/24

	Contributed capital EUR	Reserve for net revaluation according to the equity method EUR	Retained earnings EUR	Proposed extraordinary dividend EUR	Proposed dividend for the year EUR
Equity beginning of year	16,810	16,016,719	1,127,354	0	2,862,903
Adjustment of material errors	0	(3,841,617)	0	0	0
Adjusted equity, beginning of year	16,810	12,175,102	1,127,354	0	2,862,903
Ordinary dividend paid	0	0	0	0	(2,862,903)
Extraordinary dividend paid	0	0	0	(2,688,172)	0
Exchange rate adjustments	0	(75,335)	(1)	0	0
Other entries on equity	0	(1,053,190)	0	0	0
Dividends from group enterprises	0	(10,280,215)	10,280,215	0	0
Transfer to reserves	0	(1,750,265)	1,750,265	0	0
Profit/loss for the year	0	2,223,697	(3,535,287)	2,688,172	0
Equity end of year	16,810	1,239,794	9,622,546	0	0
					Total EUR
Equity beginning of year					20,023,786
Adjustment of material errors					(3,841,617)
Adjusted equity, beginning of year					16,182,169
Ordinary dividend paid					(2,862,903)
Extraordinary dividend paid					(2,688,172)
Exchange rate adjustments					(75,336)
Other entries on equity					(1,053,190)
Dividends from group enterprises					0
Transfer to reserves					0
Profit/loss for the year					1,376,582
Equity end of year					10,879,150

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

	2023/24 EUR	2022/23 EUR
Financial income from group enterprises	155,015	108,690
	155,015	108,690

3 Other financial expenses

	2023/24 EUR	2022/23 EUR
Financial expenses from associates	0	119,903
Other interest expenses	337,808	226,874
	337,808	346,777

4 Tax on profit/loss for the year

	2023/24 EUR	2022/23 EUR
Change in deferred tax	(123,118)	0
Adjustment concerning previous years	0	(128,242)
Refund in joint taxation arrangement	(14,759)	(337,386)
	(137,877)	(465,628)

5 Proposed distribution of profit and loss

	2023/24 EUR	2022/23 EUR
Ordinary dividend for the financial year	0	2,862,903
Extraordinary dividend distributed in the financial year	2,688,172	0
Retained earnings	(1,311,590)	1,625,963
	1,376,582	4,488,866

6 Financial assets

	Investments in group enterprises EUR
Cost beginning of year	8,853,463
Disposals on divestments etc.	(268,817)
Additions	2,688,172
Cost end of year	11,272,818
Revaluations beginning of year	19,568,224
Disposals on divestments etc.	(1,385,273)
Exchange rate adjustments	(75,335)
Amortisation of goodwill	(365,641)
Share of profit/loss for the year	2,223,697
Dividend	(17,672,688)
Other adjustments	(1,053,190)
Revaluations end of year	1,239,794
Carrying amount end of year	12,512,612
Goodwill or negative goodwill recognised during the financial year	1,486,007

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

7 Deferred tax

	2023/24 EUR
Tax losses carried forward	123,118
Deferred tax	123,118

	2023/24 EUR
Changes during the year	
Recognised in the income statement	123,118
End of year	123,118

Deferred tax assets

Deferred tax consist of temporary differences between tangible assets, which are expected to be used within 3 - 5 years.

8 Employees

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

9 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.

10 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, and ETK EMS Næstved A/S A/S.

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

11 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.

Material errors in previous years

During the audit of the 2023/24 financial statements, misstatements and errors have been identified in the previous year's financial provisions for withholding tax-, salary-, VAT-, inventory- and customer obligations. The accounting practices have been updated and errors have been corrected directly on equity, resulting in a total adjustment of EUR -4,9m.

Comparison numbers have been adjusted accordingly and the effects are shown below;

Group

Profit/loss for the year EUR 6,7m adjusted to EUR 4,5m.

Assets adjusted from EUR 48,3m to EUR 54,3m

Equity adjusted from EUR 20,1 to EUR 16,2m

Parent

Profit/loss for the year EUR 6,7m adjusted to EUR 4,5m.

Assets adjusted from EUR 37,8m to EUR 33,9m

Equity adjusted from EUR 20,1 to EUR 16,2m

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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

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 from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

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.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

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:

	Useful life
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.

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.

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.

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.

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.

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.