

EBV Elektronik ApS

Elkjærvej 19, 1.
DK-8230 Åbyhøj

CVR no. 28 31 16 56

Annual report for the period 1 July 2023 – 30 June 2024

The annual report was presented and approved at
the Company's annual general meeting on
19 December 2024

Mark Kempf
Chairman

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of EBV Elektronik ApS for the financial year 1 July 2023 – 30 June 2024.

The annual report has been 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 assets, liabilities and financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Åbyhøj, 19 December 2024
Executive Board:

Mark Kempf

William Caruso

Independent auditor's report

To the shareholder of EBV Elektronik ApS

Opinion

We have audited the financial statements of EBV Elektronik ApS for the financial year 1 July 2023 - 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2024 and of the results of the company's operations for the financial year 1 July 2023 - 30 June 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 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the management's review.

Copenhagen,

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Ramazan Turan
statsautoriseret revisor
mne32779

Nanna Grejs Munksgaard
statsautoriseret revisor
mne49907

Management's review

Company details

EBV Elektronik ApS
Elkjærvej 19, 1.
DK-8230 Åbyhøj

CVR-no: 28 31 16 56
Established: 23 December 2004
Registered office: Åbyhøj

Financial year: 1 July – 30 June

Executive Board

Mark Kempf
William Caruso

Auditor

Baker Tilly Denmark
Statsautoriseret Revisionspartnerselskab
Poul Bundgaards Vej 1, 1.
DK-2500 Valby
CVR no. 35 25 76 91

Management's review

Financial highlights

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Gross profit	26,058	34,734	24,662	17,907	15,091
Operating profit	9,189	14,827	9,350	4,483	2,015
Profit/loss from financial income and expenses	447	2,408	628	417	-1,440
Profit for the year	6,806	9,587	6,720	3,828	409

Total assets	114,983	107,751	97,712	70,911	81,949
Equity	81,728	74,922	65,335	58,615	54,787
Investment in property, plant and equipment	49	57	56	2	66

Ratios

Return on invested capital	8.3%	13.8%	14.4%	11.1%	5.9%
Return on equity	8.7%	12.8%	13.7%	10.8%	6.8%
Solvency ratio	71.1%	69.5%	69.5%	66.9%	82.7%

Average number of full-time employees	18	17	16	17	17
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The financial ratios have been calculated as follows:

Return on invested capital $\frac{\text{Operating profit/loss} * 100}{\text{Average invested capital}}$

Return on equity $\frac{\text{Profit/loss from ordinary activities after tax} * 100}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity at year-end} * 100}{\text{Total equity and liabilities at year-end}}$

Management's review

Operating review

Principal activities

EBV Elektronik ApS engages in trading with electronic components to the Danish electronics industry.

Development in activities and financial position

The Company's income statement for 2023/24 shows a profit of DKK 6,806 thousand as against DKK 9,587 thousand in 2022/23. The market suffered a correction, which was expected as set in the outlook of Management's review in the annual report for 2022/23. Equity in the Company's balance sheet at 30 June 2024 stood at DKK 81,728 thousand as against DKK 74,922 thousand at 30 June 2023.

The market conditions for electronic components remained challenging during the year, in line with the general economic conditions. We have seen continued price increases but interest rates remained high, which impacted consumer spending and by default the demand of electronic components decreased.

We expect the demand to increase from the third quarter of FY25 as inflationary pressures seem to be easing, although the war in Ukraine and the conflict in Middle East could affect the global supply and demand of electronic components.

EBV Elektronik ApS remains well positioned and has improved its service quality further in the last few years, furthermore, a low level of staff turnover generates trust from our customers and makes us a reliable business partner.

Industrial customers in Denmark also benefit from global networking structures within the Avnet Group.

Outlook

Due to these uncertainties and challenging market conditions, the market outlook is unclear and the management expectations for the business' activities for FY25 are expected to shrink or continue moderate in comparison with the current year.

However, long term, the management is convinced that electronic components will play a major role in industry transformation and technological advances, and EBV Elektronik ApS is in a strong position to cover the market recovery.

Environmental matters

EBV Elektronik ApS is governed by the environmental policies of the Avnet Group, which can be accessed through the following link:

<https://www.avnet.com/wps/portal/us/about-avnet/corporate-social-responsibility/environmental-sustainability/>

Intellectual property

As EBV Elektronik ApS is a trading company in a group structure, all intellectual property belongs to the Headquarters.

Management's review

Operating review

Financial instruments

The Company's risk exposure

The Company is not faced with any particular risks other than increasing market competition.

The Company's goals and policies for management of financial risks

In general the Company's invoices to customers are in DKK and purchase invoices are in DKK, EUR and USD. Financial hedging / purchase of financial instruments is used to reduce the financial risks. The financial hedging is managed at group level to reduce the exposure at component level.

Events after the balance sheet date

No events have occurred after the balance sheet date that may influence the assessment of the annual report for 2023/24.

Financial statements 1 July – 30 June

Income statement

	Note	2023/2024 DKK'000	2022/2023 DKK'000
Gross profit		26,058	34,734
Staff cost	2	-16,820	-19,859
Depreciation	3	-49	-48
Profit before financial income and expenses		9,189	14,827
Financial income	4	1,254	403
Financial expense	5	-1,701	-2,811
Profit before tax		8,742	12,419
Tax on profit for the year	6	-1,936	-2,832
Profit for the year	7	6,806	9,587

Financial statements 1 July – 30 June

Balance sheet

ASSETS	Note	2023/2024 DKK'000	2022/2023 DKK'000
Fixed assets	3		
Property, plant and equipment			
Fixtures and fittings, tools and equipment		72	72
Total fixed assets		72	72
Current assets			
Inventories			
Prepayment for goods		-	206
Receivables			
Trade receivables		64,674	107,216
Receivables from group entities		50,035	0
Other receivables		51	4
Deferred tax assets	8	28	32
Prepayments	9	122	220
		114,910	107,472
Cash at bank and in hand		1	1
Total current assets		114,911	107,679
TOTAL ASSETS		114,983	107,751

Financial statements 1 July – 30 June

Balance sheet

EQUITY AND LIABILITIES	Note	2023/2024 DKK'000	2022/2023 DKK'000
Equity			
Contributed capital		125	125
Retained earnings		81,603	74,797
Total equity		81,728	74,922
Liabilities			
Current liabilities			
Trade payables		398	464
Payables to group entities		20,120	19,523
Corporation tax, joint taxation		4,679	2,748
Other payables		8,057	10,093
Total liabilities		33,255	32,829
TOTAL EQUITY AND LIABILITIES		114,983	107,751

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Financial statements 1 July – 30 June

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity at 1 July 2023	125	74,797	74,922
Transferred over the profit appropriation	0	6,806	6,806
Equity at 30 June 2024	125	81,603	81,728

Financial statements 1 July – 30 June

Notes

Note 1. Accounting policies

The annual report of EBV Elektronik ApS for 2023/24 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Avnet Inc. The consolidated financial statements of this group are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc.'s Investor Relations website at www.ir.avnet.com

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expense

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

Financial statements 1 July – 30 June

Notes

Note 1. Accounting policies (continued)

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of goods for resale, finished goods and service income is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT. Services are invoiced and recorded as revenue once duties are fully performed and delivered.

Cost of sales

Cost of sales comprises costs incurred in generating revenue for the year, including any direct costs or indirect production overheads relating to freight and duties.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, deducted by reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is comprised by the Danish rules on joint taxation of the Avnet Group's Danish entities.

Avnet Nortec ApS serves as the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

Financial statements 1 July – 30 June

Notes

Note 1. Accounting policies (continued)

Current Danish corporation tax is allocated by the settlement of joint taxation contributions among the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax losses receive joint taxation contributions from companies that have been able to use this loss to reduce their own tax profits.

Tax for the year comprising current tax for the year and changes in deferred tax for the year is recognised in the income statement.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment 3-5 years

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories comprise prepayment of goods.

Prepayments of goods are measured at cost, comprising purchase price plus delivery costs. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Financial statements 1 July – 30 June

Notes

Note 1. Accounting policies (continued)

Receivables

Receivables are measured at amortised cost. Write-down is made for expected bad debt losses after an individual assessment of receivables.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash on hand and bank deposits. Bank overdrafts are included in liabilities.

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

The rules on joint taxation stipulate that the companies' liability for the payment of corporation tax to the tax authorities is to cease in line with the payment of joint taxation contributions to the administrative company.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction. Any deferred net assets are measured at net realisable value.

Liabilities

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

Financial statements 1 July – 30 June

Notes

	2023/2024	2022/2023
	DKK'000	DKK'000
Note 2. Staff cost		
Wages and salaries	13,740	17,260
Pensions	2,914	2,227
Other social security costs	166	372
	<u>16,820</u>	<u>19,859</u>
Average number of full-time employees	<u>18</u>	<u>17</u>

In accordance with section 98b (3) of the Danish Financial Statements Act, remuneration of the Executive Board is not disclosed.

Note 3. Property, plant and equipment

	Fixtures and fittings, tools and equipment
Cost at 1 July 2023	1,156
Additions for the year	49
Disposals for the year	(19)
Cost at 30 June 2024	<u>1,186</u>
Depreciation and impairment losses at 1 July 2023	(1,084)
Depreciation for the year	(49)
Rev. depreciation and impairment losses on assets disposed	19
Depreciation and impairment losses at 30 June 2024	<u>(1,114)</u>
Carrying amount at 30 June 2024	<u>72</u>

	2023/2024	2022/2023
	DKK'000	DKK'000
Note 4. Financial income		
Interest income from group entities	1,254	403
	<u>1,254</u>	<u>403</u>

Note 5. Financial expenses

Interest expense to group entities	819	112
Other financial expenses	882	2,699
	<u>1,701</u>	<u>2,811</u>

Financial statements 1 July – 30 June

Notes

	2023/2024 DKK'000	2022/2023 DKK'000
Note 6. Tax on profit for the year		
Current tax for the year	1,932	2,748
Deferred tax adjustment for the year	4	11
Adjustment of tax concerning previous years	-	73
	<u>1,936</u>	<u>2,832</u>

Note 7. Proposed profit appropriation

Retained earnings	<u>6,806</u>	<u>9,587</u>
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Note 8. Deferred tax asset

At beginning of year	32	44
Charged to the income statement	(4)	(12)
At end of year	<u>28</u>	<u>32</u>

Deferred tax of DKK 32 thousand recognised at 30 June 2023 relates to timing differences on property, plant and equipment and is expected to be realised as current tax along with the depreciation period over the next coming years.

Note 9. Prepayments

Prepayments for insurance, rent, etc.	<u>122</u>	<u>220</u>
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Note 10. Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has operating leases for cars with a total remaining lease payment of DKK 195 thousand as of 30 June 2024 (30 June 2023: DKK 481 thousand). The leases will mature in 12 months.

The Company has entered into a property lease. The lease can be terminated after 41 months. The total liability amounts to DKK 665 thousand (30 June 2023: DKK 842 thousand).

The Company is jointly taxed with the other Danish subsidiaries in the Avnet Group. The Company has unlimited joint and several liability together with the subsidiaries for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the jointly taxed entity. Any subsequent corrections of the taxable joint taxation income or withholding taxes may entail an increase in the Company's liability.

Financial statements 1 July – 30 June

Notes

Note 11. Related party disclosures

EBV Elektronik ApS' related parties comprise the following:

Control

The Company is fully owned by EBV Elektronik GmbH in Poing, Germany. The ultimate Parent Company is Avnet Inc. in the US.

EBV Elektronik ApS is part of the consolidated financial statements of Avnet Inc., 2211 South 47th Street, Phoenix, AZ, USA, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Avnet Inc. can be obtained by contacting the Company at the address above.

	2023/2024	2022/2023
	DKK'000	DKK'000
Related party transactions		
Sale of services to group entities	5,031	6,874
Purchase of goods from group entities	190,789	303,180
Purchase of services from group entities	1,007	2,807

Financial income and expenses to/from group entities are disclosed in notes 4 and 5.

Note 12. Currency risks and the use of derivative financial instruments

As part of the hedging of recognised and unrecognised transactions, the Company makes use of forward hedging contracts to manage balance sheet risk.

Currency risks	2023/2024	2023/2024
	USD	USD
	DKK'000	DKK'000
Hedged by forward exchange contracts		
Fair value (Loss accrued)	18	394
Nominal value (Commitment to sell in USD)	31,542	22,333

The fair value of the liability for future commitments under forward exchange contracts is included in amounts payable to group entities.