



Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

TRONEX A/S
HØJVANGEN 10, 3480 FREDENSBORG
ANNUAL REPORT
1 JULY 2018 - 30 JUNE 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 26 September 2019**

Janicke Forsberg Schultz-Petersen

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-6
Management's Review	
Management's Review	7
Financial Statements 1 July 2018 - 30 June 2019	
Income Statement.....	8
Balance Sheet.....	9-10
Notes.....	11-13
Accounting Policies.....	14-17

COMPANY DETAILS

Company	Tronex A/S Højvangen 10 3480 Fredensborg CVR No.: 17 01 65 98 Established: 13 May 1993 Registered Office: Fredensborg Financial Year: 1 July 2018 - 30 June 2019
Board of Directors	Janicke Forsberg Schultz-Petersen, chairman Erik Kofod Winther Pia Ane Nielsen Søren Henning Rudfred Jan Storgaard
Board of Executives	Stig Nielsen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nykredit Bank Hovedgaden 55A 2970 Hørsholm
Law Firm	DLA Piper Denmark Law Firm P/S Rådhuspladsen 4 1550 Copenhagen K

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Tronex A/S for the financial year 1 July 2018 - 30 June 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Fredensborg, 26 September 2019

Board of Executives

Stig Nielsen

Board of Directors

Janicke Forsberg Schultz-
Petersen
Chairman

Erik Kofod Winther

Pia Ane Nielsen

Søren Henning Rudfred

Jan Storgaard

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tronex A/S

Opinion

We have audited the Financial Statements of Tronex A/S for the financial year 1 July 2018 - 30 June 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*

INDEPENDENT AUDITOR'S REPORT

- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 26 September 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Peter Rasborg
State Authorised Public Accountant
MNE no. mne16537

MANAGEMENT'S REVIEW

Principal activities

The Company's principal activities are to provide Electronic Manufacturing Services.

Exceptional matters

There have been no exceptional matters during the financial year.

Development in activities and financial position

The development in the Company's activities and its financial position during the financial year was negatively impacted by a prolonged and globally insufficient supply of electronic components.

Significant events after the end of the financial year

The Board of Directors and the Board of Executives are not aware of any events after 30 June 2019 that may have a material effect on the Company's financial position or its outlook for the future.

Future expectations

It is expected that the Company's activities and its financial position will develop positively in the financial year 2019/20.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2018/19 DKK	2017/18 DKK
GROSS PROFIT		19,216,965	23,194,687
Staff costs.....	1	-15,500,559	-17,174,016
Depreciation, amortisation and impairment.....		-339,924	-1,196,090
OPERATING PROFIT		3,376,482	4,824,581
Other financial income.....	2	2,439	58,380
Other financial expenses.....	3	-191,204	-167,320
PROFIT BEFORE TAX		3,187,717	4,715,641
Tax on profit/loss for the year.....	4	-719,983	-1,132,469
PROFIT FOR THE YEAR		2,467,734	3,583,172
 PROPOSED DISTRIBUTION OF DIVIDEND			
Proposed dividend for the year.....		0	3,600,000
Retained earnings.....		2,467,734	-16,828
TOTAL		2,467,734	3,583,172

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2019 DKK	2018 DKK
Production plant and machinery.....		261,791	1,507,214
Other plant, machinery, tools and equipment.....		218,830	303,637
Tangible fixed assets.....	5	480,621	1,810,851
Rent deposit and other receivables.....		878,231	878,231
Fixed asset investments.....	6	878,231	878,231
FIXED ASSETS.....		1,358,852	2,689,082
Raw materials and consumables.....		16,250,274	13,381,369
Work in progress.....		1,075,252	1,080,898
Finished goods and goods for resale.....		3,521,893	3,340,961
Inventories.....		20,847,419	17,803,228
Trade receivables.....		15,593,423	14,209,727
Receivables from group enterprises.....		0	1,085,809
Other receivables.....		81,392	239,477
Prepayments and accrued income.....		1,458,205	452,961
Receivables.....		17,133,020	15,987,974
Cash and cash equivalents.....		100,844	8,440
CURRENT ASSETS.....		38,081,283	33,799,642
ASSETS.....		39,440,135	36,488,724

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital.....		500,000	500,000
Retained earnings.....		14,677,463	12,209,729
Proposed dividend.....		0	3,600,000
EQUITY.....	7	15,177,463	16,309,729
Provision for deferred tax.....		454,727	292,371
Other provisions for liabilities.....	8	270,000	270,000
PROVISION FOR LIABILITIES.....		724,727	562,371
Corporation tax.....		557,627	978,560
Lease liabilities.....		0	35,873
Long-term liabilities.....	9	557,627	1,014,433
Short-term portion of long-term liabilities.....	9	1,168,433	447,680
Bank debt.....		217,058	440,087
Trade payables.....		13,002,563	11,742,381
Payables to group enterprises.....		5,077,828	2,572,231
Other liabilities.....		3,514,436	3,399,812
Current liabilities.....		22,980,318	18,602,191
LIABILITIES.....		23,537,945	19,616,624
EQUITY AND LIABILITIES.....		39,440,135	36,488,724
 Contingencies etc.	 10		

NOTES

	2018/19 DKK	2017/18 DKK	Note
Staff costs			1
Average number of employees 32 (2017/18: 31)			
Wages and salaries.....	13,424,271	15,115,822	
Pensions.....	1,790,764	1,832,652	
Social security costs.....	285,524	225,542	
	15,500,559	17,174,016	
Other financial income			2
Group enterprises.....	0	29,113	
Other interest income.....	2,439	29,267	
	2,439	58,380	
Other financial expenses			3
Group enterprises.....	90,300	70,702	
Other interest expenses.....	100,904	96,618	
	191,204	167,320	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	557,627	1,132,560	
Adjustment of deferred tax.....	162,356	-91	
	719,983	1,132,469	
Tangible fixed assets			5
	Production plant and machinery	Other plant, machinery, tools and equipment	
Cost at 1 July 2018.....	4,846,299	2,781,516	
Disposals.....	-2,775,925	0	
Cost at 30 June 2019.....	2,070,374	2,781,516	
Depreciation and impairment losses at 1 July 2018.....	3,339,085	2,477,879	
Reversal of depreciation of assets disposed of.....	-1,785,619	0	
Depreciation for the year.....	255,117	84,807	
Depreciation and impairment losses at 30 June 2019.....	1,808,583	2,562,686	
Carrying amount at 30 June 2019.....	261,791	218,830	
Finance lease assets.....	1,497,504	254,583	

NOTES

		Note
Fixed asset investments		6
	Rent deposit and other receivables	
Cost at 1 July 2018.....	878,231	
Cost at 30 June 2019.....	878,231	
Carrying amount at 30 June 2019.....	878,231	
 Equity		 7
	Share capital	Retained earnings
		Proposed dividend
		Total
Equity at 1 July 2018.....	500,000	12,209,729
Dividend paid.....		3,600,000
Proposed distribution of profit.....		-3,600,000
		2,467,734
Equity at 30 June 2019.....	500,000	14,677,463
		0
		15,177,463
 Other provisions for liabilities		 8
0-1 years.....		270,000
		270,000
 Long-term liabilities		 9
	30/6 2019 total liabilities	Repayment next year
		Debt outstanding after 5 years
		30/6 2018 total liabilities
		Current portion at the beginning of the year
Corporation tax.....	1,690,187	1,132,560
Lease liabilities.....	35,873	35,873
		0
		978,560
		0
		483,553
		447,680
	1,726,060	1,168,433
		0
		1,462,113
		447,680

NOTES

Note

Contingencies etc.

10

Contingent liabilities***Rent liabilities***

The company has entered into a rental lease regarding the company's domicile in Fredensborg. The lease may be terminated giving 6 months' notice and the total residual liability amounts to DKK ('000) 880.

The company has entered into a lease agreement regarding the company's production facilities. The leases have an average notice period of 66 months, and the total residual liability amounts to DKK ('000) 8,940.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Brunemarken Invest ApS, which serves as management company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Tronex A/S for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprises costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Production plant and machinery and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	<i>Useful life</i>	<i>Residual value</i>
Production plant and machinery.....	5-10 years	0 %
Other plant, fixtures and equipment.....	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company’s other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Fixed asset investments

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Janicke Forsberg Schultz-Petersen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-609546525393

IP: 83.92.xxx.xxx

2019-10-10 18:18:03Z

NEM ID 

Erik Kofod Winther

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-152012851466

IP: 109.56.xxx.xxx

2019-10-10 18:50:58Z

NEM ID 

Jan Storgaard

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-683986193472

IP: 2.107.xxx.xxx

2019-10-12 14:18:44Z

NEM ID 

Søren Henning Rudfred

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-582661736318

IP: 2.110.xxx.xxx

2019-10-13 17:54:29Z

NEM ID 

Pia Ane Nielsen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-548483513828

IP: 109.57.xxx.xxx

2019-10-14 11:24:16Z

NEM ID 

Stig Nielsen

Direktør

Serienummer: PID:9208-2002-2-063241016632

IP: 109.57.xxx.xxx

2019-10-14 14:17:18Z

NEM ID 

Peter Rasborg

Statsautoriseret revisor

Serienummer: CVR:20222670-RID:1170686391958

IP: 77.243.xxx.xxx

2019-10-15 08:02:39Z

NEM ID 

Janicke Forsberg Schultz-Petersen

Dirigent

Serienummer: PID:9208-2002-2-609546525393

IP: 46.18.xxx.xxx

2019-10-17 20:33:47Z

NEM ID 

Penneo dokumentnøgle: 7TLP0-TEVDS-E00EB-JB43Q-IPC5W-E8VEA

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>