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 2016 - 30 JUNE 2017

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 3 October 2017

Janicke Forsberg Schultz-Petersen

CVR NO. 17 01 65 98

CONTENTS

COMPANY DETAILS

Company	Tronex A/S Højvangen 10 3480 Fredensborg	
	Telephone:	45762333
	Telefax:	45761944
	CVR no.:	17 01 65 98
	Established:	13 May 1993
	Reg. Office:	Fredensborg
	Financial Year:	1 July 2016 - 30 June 2017
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 2016 - 30 June 2017.

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 the Company's financial position at 30 June 2017 and of the results of the the Company's operations for the financial year 1 July 2016 - 30 June 2017.

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, 3 October 2017

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 2016 - 30 June 2017, 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 2017 and of the results of the Company operations for the financial year 1 July 2016 - 30 June 2017 in accordance with the Danish Financial Statements Act.

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

Management's 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 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 Responsibility for 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, 3 October 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Peter Rasborg
State Authorised Public Accountant

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
Viewed in a longer term perspective the development in the Company's activities and financial position has been satisfactory.

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 2017 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 positive development will continue.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2016/17 DKK	2015/16 DKK
GROSS PROFIT		**21,171,937**	**24,155,310**
Staff costs	1	-16,081,964	-15,739,381
Depreciation, amortisation and impairment		-1,802,297	-1,736,668
OPERATING PROFIT		**3,287,676**	**6,679,261**
Other financial income		125,624	409
Other financial expenses	2	-230,177	-123,714
PROFIT BEFORE TAX		**3,183,123**	**6,555,956**
Tax on profit/loss for the year	3	-702,971	-1,433,210
PROFIT FOR THE YEAR		**2,480,152**	**5,122,746**

PROPOSED DISTRIBUTION OF PROFIT

		2016/17	2015/16
Proposed dividend for the year		2,000,000	3,000,000
Retained earnings		480,152	2,122,746
TOTAL		**2,480,152**	**5,122,746**

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2017 DKK	2016 DKK
Production plant and machinery		3,704,728	5,250,085
Other plant, machinery, tools and equipment		434,278	367,008
Tangible fixed assets	4	**4,139,006**	**5,617,093**
Rent deposit and other receivables		860,251	860,251
Fixed asset investments	5	**860,251**	**860,251**
FIXED ASSETS		**4,999,257**	**6,477,344**
Raw materials and consumables		11,901,271	13,066,034
Work in progress		844,606	957,028
Finished goods and goods for resale		2,610,602	4,999,470
Inventories		**15,356,479**	**19,022,532**
Trade receivables		12,084,596	15,886,210
Other receivables		39,340	23,136
Prepayments and accrued income		547,513	820,929
Receivables		**12,671,449**	**16,730,275**
Cash and cash equivalents		**3,695,539**	**68,232**
CURRENT ASSETS		**31,723,467**	**35,821,039**
ASSETS		**36,722,724**	**42,298,383**

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK
Share capital		500,000	500,000
Retained earnings		12,226,557	11,746,405
Proposed dividend		2,000,000	3,000,000
EQUITY	6	**14,726,557**	**15,246,405**
Provision for deferred tax		292,462	501,765
Other provisions for liabilities		1,000,000	1,050,000
PROVISION FOR LIABILITIES		**1,292,462**	**1,551,765**
Corporation tax		912,274	1,135,156
Lease liabilities		1,830,824	2,244,460
Long-term liabilities	7	**2,743,098**	**3,379,616**
Short-term portion of long-term liabilities	7	752,070	1,131,550
Bank debt		0	3,211,495
Trade payables		10,687,273	10,580,783
Payables to group enterprises		3,178,156	3,169,545
Other liabilities		3,343,108	4,027,224
Current liabilities		**17,960,607**	**22,120,597**
LIABILITIES		**20,703,705**	**25,500,213**
EQUITY AND LIABILITIES		**36,722,724**	**42,298,383**

Contingencies etc.	8		
Charges and securities	9		

NOTES

	2016/17 DKK	2015/16 DKK	Note
Staff costs			1
Average number of employees 31 (2015/16: 27)			
Wages and salaries	14,031,642	14,592,549	
Pensions	1,812,779	928,622	
Social security costs	237,543	218,210	
	16,081,964	**15,739,381**	
Other financial expenses			2
Group enterprises	156,400	21,113	
Other interest expenses	73,777	102,601	
	230,177	**123,714**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	912,274	1,135,156	
Adjustment of deferred tax	-209,303	298,054	
	702,971	**1,433,210**	

Tangible fixed assets 4

	Production plant and machinery	Other plant, machinery, tools and equipment
Cost at 1 July 2016	11,647,032	3,526,504
Additions	17,998	376,643
Disposals	0	-1,121,630
Cost at 30 June 2017	**11,665,030**	**2,781,517**
Depreciation and impairment losses at 1 July 2016	6,396,947	3,159,496
Reversal of depreciation of assets disposed of	0	-1,051,199
Depreciation for the year	1,563,355	238,942
Depreciation and impairment losses at 30 June 2017	**7,960,302**	**2,347,239**
Carrying amount at 30 June 2017	**3,704,728**	**434,278**
Finance lease assets	3,527,003	260,000

Fixed asset investments 5

	Rent deposit and other receivables
Cost at 1 July 2016	860,251
Cost at 30 June 2017	**860,251**
Carrying amount at 30 June 2017	**860,251**

NOTES

Note

Equity 6

	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 July 2016	500,000	11,746,405	0	12,246,405
Change of equity due to change of policy			3,000,000	3,000,000
Adjusted equity at 1 July 2016	**500,000**	**11,746,405**	**3,000,000**	**15,246,405**
Dividend paid			-3,000,000	-3,000,000
Proposed distribution of profit		480,152	2,000,000	2,480,152
Equity at 30 June 2017	**500,000**	**12,226,557**	**2,000,000**	**14,726,557**

Long-term liabilities 7

	1/7 2016 total liabilities	30/6 2017 total liabilities	Repayment next year	Debt outstanding after 5 years
Corporation tax	1,135,156	912,274	0	0
Lease liabilities	3,376,010	2,582,894	752,070	0
	4,511,166	**3,495,168**	**752,070**	**0**

Contingencies etc. 8

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) 860.

Contingent liabilities

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 and royalty tax.

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 arrangement.

Charges and securities 9

A guarantee of payment has bene created for the subsidiary Brunemarken Ejendomme ApS' account with Nykredit Bank.

ACCOUNTING POLICIES

The annual report of Tronex A/S for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applyuing to reporting class C.

Change in accounting policies
The accounting policies have been changed in the following areas:

- Proposed dividend was earlier recognised as a liability. The policy has been changed to the effect that proposed dividend is recognised as a separate item in equity.

  The reason for the change of policy is that recognition of proposed dividend as a liability is no longer possible following the amendments to the Danish Financial Statements Act in 2015.

  The comparative figures are adjusted to the changed accounting policies.

  The change of policy is recognised directly in equity at beginning of the year. The change of policy has solely an effect on equity which at 1 July 2016 is increased by DKK ('000) 3,000 and at 30 June 2017 by DKK ('000) 2,000.

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.

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 in general
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 on profit for the year
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.

ACCOUNTING POLICIES

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.

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:

	Useful life	Residual value
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
Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

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.