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TRONEX A/S
HØJVANGEN 10, 3480 FREDENSBORG
ANNUAL REPORT
1 JULY 2021 - 30 JUNE 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 October 2022**

Janicke Forsberg Schultz-Petersen

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8
Financial Statements 1 July 2021 - 30 June 2022	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Notes.....	13-15
Accounting Policies.....	16-19

COMPANY DETAILS

Company	Tronex A/S Højvangen 10 3480 Fredensborg CVR No.: 17 01 65 98 Established: 13 May 1993 Municipality: Fredensborg Financial Year: 1 July 2021 - 30 June 2022
Board of Directors	Janicke Forsberg Schultz-Petersen, chairman Erik Kofod Winther Pia Ane Nielsen Søren Henning Rudfred Stig Nielsen
Executive Board	Jan Storgaard
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nykredit Bank Hovedgaden 55A 2970 Hørsholm
Law Firm	DLA Piper Denmark Advokatpartnerselskab Oslo Plads 2 2100 Copenhagen Ø

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Tronex A/S for the financial year 1 July 2021 - 30 June 2022.

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 assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Fredensborg, 12 October 2022

Executive Board

Jan Storgaard

Board of Directors

Janicke Forsberg Schultz-
Petersen
Chairman

Erik Kofod Winther

Pia Ane Nielsen

Søren Henning Rudfred

Stig Nielsen

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 2021 - 30 June 2022, which comprise income statement, Balance Sheet, statement of changes in equity, 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 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.*

INDEPENDENT AUDITOR'S REPORT

- *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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Copenhagen, 12 October 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Peter Rasborg
State Authorised Public Accountant
MNE no. mne16537

FINANCIAL HIGHLIGHTS

	2021/22 DKK	2020/21 DKK	2019/20 DKK	2018/19 DKK	2017/18 DKK
Income statement					
Gross profit/loss.....	27,941,905	24,781,276	24,603,522	19,216,965	23,194,687
Operating profit/loss before depreciation and amortisation (EBITDA)..	9,389,366	7,754,575	7,895,151	3,716,406	6,020,671
Operating profit/loss of main activities...	9,222,093	7,639,615	7,598,305	3,376,482	4,824,581
Financial income and expenses, net.....	-329,154	-201,751	-252,022	-188,765	-108,940
Profit/loss for the year before tax.....	8,892,939	7,437,864	7,346,283	3,187,717	4,715,641
Profit/loss for the year.....	6,940,824	5,801,534	5,726,166	2,467,734	3,583,172
Results for the year without minority interests.....	6,940,824	5,801,534	5,726,166	2,467,734	3,583,172
Balance sheet					
Total assets.....	111,622,640	63,218,786	53,070,366	39,440,135	36,488,724
Equity.....	30,645,987	23,705,163	20,903,629	15,177,463	16,309,729
Equity ex minority interests.....	30,645,987	23,705,163	20,903,629	15,177,463	16,309,729
Investment in property, plant and equipment.....	-492,262	0	0	0	0
Key ratios					
Return on invested capital.....	27,9	26,9	17,0	28,0	27,8
Quick ratio.....	142,7	163,7	180,6	165,7	181,7
Equity ratio.....	27,5	37,5	39,4	38,5	44,7
Return on equity.....	25,5	26,0	31,7	15,7	23,1

The ratios stated in the list of key figures and ratios have been calculated as follows:

<i>Invested capital:</i>	<i>Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities</i>
<i>Return on invested capital:</i>	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
<i>Quick ratio:</i>	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
<i>Equity ratio:</i>	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
<i>Return on equity:</i>	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

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

Unusual matters

There have been no exceptional matters during the financial year.

Development in activities and financial and economic position

The development of the Company's activities and its financial position during the financial year continues to be adversely impacted by the globally insufficient availability of electronic components.

Profit/loss for the year compared to the expected development

Profit for the year is positive compared to the situation globally. Profit for the year is at an expected level.

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 2022 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 continue to develop positively in the financial year 2022/23.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2021/22 DKK	2020/21 DKK
GROSS PROFIT		27,941,905	24,781,276
Staff costs.....	1	-18,552,539	-17,026,701
Depreciation, amortisation and impairment.....		-167,273	-114,960
OPERATING PROFIT		9,222,093	7,639,615
Other financial income.....	2	24,465	57,647
Other financial expenses.....	3	-353,619	-259,398
PROFIT BEFORE TAX		8,892,939	7,437,864
Tax on profit/loss for the year.....	4	-1,952,115	-1,636,330
PROFIT FOR THE YEAR	5	6,940,824	5,801,534

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2022 DKK	2021 DKK
Production plant and machinery.....		0	2,097
Other plant, machinery, tools and equipment.....		393,804	66,717
Property, plant and equipment.....	6	393,804	68,814
Rent deposit and other receivables.....		949,895	913,360
Financial non-current assets.....	7	949,895	913,360
NON-CURRENT ASSETS.....		1,343,699	982,174
Raw materials and consumables.....		53,491,666	35,963,040
Work in progress.....		1,329,986	805,636
Finished goods and goods for resale.....		8,163,132	3,104,235
Inventories.....		62,984,784	39,872,911
Trade receivables.....		44,490,012	17,662,882
Prepayments and accrued income.....	8	932,720	311,428
Receivables.....		45,422,732	17,974,310
Cash and cash equivalents.....		1,871,425	4,389,391
CURRENT ASSETS.....		110,278,941	62,236,612
ASSETS.....		111,622,640	63,218,786

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....	9	500,000	500,000
Retained profit.....		30,145,987	23,205,163
EQUITY.....		30,645,987	23,705,163
Provision for deferred tax.....	10	343,610	301,150
Other provisions for liabilities.....	11	550,000	360,000
PROVISIONS.....		893,610	661,150
Corporation tax.....		1,909,655	0
Other liabilities.....		903,512	833,517
Non-current liabilities.....	12	2,813,167	833,517
Bank debt.....		34,930,018	9,800,724
Trade payables.....		32,415,489	17,648,207
Payables to group enterprises.....		5,658,813	4,808,408
Corporation tax.....		0	1,651,704
Other liabilities.....		4,265,556	4,109,913
Current liabilities.....		77,269,876	38,018,956
LIABILITIES.....		80,083,043	38,852,473
EQUITY AND LIABILITIES.....		111,622,640	63,218,786
Contingencies etc.	13		
Related parties	14		
Consolidated Financial Statements	15		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 July 2021.....	500,000	23,205,163	23,705,163
Proposed profit allocation, 5.....		6,940,824	6,940,824
Equity at 30 June 2022.....	500,000	30,145,987	30,645,987

NOTES

			Note
Staff costs			1
Average number of employees	34	34	
Wages and salaries.....	16,965,744	14,484,251	
Pensions.....	1,270,874	2,294,380	
Social security costs.....	315,921	248,070	
	18,552,539	17,026,701	
Information about management salary is omit with reference to the exception regulations in Section 98b(3,2) of the Danish Financial Statements Act.			
Other financial income			2
Other interest income.....	24,465	57,647	
	24,465	57,647	
Other financial expenses			3
Group enterprises.....	0	217,524	
Other interest expenses.....	353,619	41,874	
	353,619	259,398	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	1,909,655	1,651,703	
Adjustment of deferred tax.....	42,460	-15,373	
	1,952,115	1,636,330	
Proposed distribution of profit			5
Retained earnings.....	6,940,824	5,801,534	
	6,940,824	5,801,534	
Property, plant and equipment			6
	Production plant and machinery	Other plant, machinery, tools and equipment	
Cost at 1 July 2021.....	2,070,374	2,781,516	
Additions.....	0	492,262	
Cost at 30 June 2022.....	2,070,374	3,273,778	
Depreciation and impairment losses at 1 July 2021.....	2,068,276	2,714,799	
Depreciation for the year.....	2,098	165,175	
Depreciation and impairment losses at 30 June 2022.....	2,070,374	2,879,974	
Carrying amount at 30 June 2022.....	0	393,804	

NOTES

			Note
Financial non-current assets			7
		Rent deposit and other receivables	
Cost at 1 July 2021.....		913,360	
Additions.....		36,535	
Cost at 30 June 2022.....		949,895	
Carrying amount at 30 June 2022.....		949,895	
Prepayments and accrued income			8
Costs.....	932,720	311,428	
	932,720	311,428	
Share capital			9
Allocation of share capital:			
Brunemarken Invest ApS, 500,000 unit in the denomination of 1 DKK.....	500,000	500,000	
	500,000	500,000	
Provision for deferred tax			10
Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.			
Deferred tax, beginning of year.....	301,150	316,523	
Deferred tax of the year, income statement.....	42,460	-15,373	
Provision for deferred tax 30 June 2022.....	343,610	301,150	
Other provisions for liabilities			11
0-1 years.....	550,000	360,000	
Other provisions for liabilities contains of a provision for garanty.			
Long-term liabilities			12
	30/6 2022 total liabilities	Repayment next year	Debt outstanding after 5 years
			30/6 2021 total liabilities
Corporation tax.....	1,909,655	0	0
Other liabilities.....	903,512	0	670,631
	2,813,167	0	670,631
			2,485,221

NOTES**Note****Contingencies etc.**

13

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) 951.

The company has entered into a lease agreement regarding the company's production facilities. The leases have an average notice period of 60 months, and the total residual liability amounts to DKK ('000) 14,488.

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.

Related parties

14

The Company's related parties include: Brunemarken Ejendomme ApS, Brunemarken Invest ApS.

Controlling interest

Mr. Stig Nielsen and Mrs. Pia Nielsen, Brunemarksvej 5, 3490 Kvistgård, is the principal shareholders.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements

15

The company is included in the consolidated financial statements of Brunemarken Invest ApS, Brunemarksvej 5, 26 51 70 79.

ACCOUNTING POLICIES

The Annual Report of Tronex A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Brunemarken Invest ApS, Brunemarksvej 5, 26 51 70 79.

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.

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, operational 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.

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.

ACCOUNTING POLICIES

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.

Financial non-current assets

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.

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.

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

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.

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.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement.