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# **Amphenol Cabelcon ApS**

**Industriparken 10, 4760 Vordingborg**

**Company reg. no. 17 37 66 32**

## **Annual report**

**1 January - 31 December 2023**

The annual report was submitted and approved by the general meeting on the 28 June 2024.

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**Richard Adam Norwitt**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Amphenol Cabelcon ApS for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Vordingborg, 28 June 2024

### **General Manager**

Amy Elise Andersen

### **Board of directors**

Richard Adam Norwitt

Craig Anthony Lampo

## **Independent auditor's report**

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### **To the Shareholders of Amphenol Cabelcon ApS**

#### **Opinion**

We have audited the financial statements of Amphenol Cabelcon ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. 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 financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

#### **Basis for conclusion**

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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibilities for the 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.

## **Independent auditor's report**

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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.
- 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.

## **Independent auditor's report**

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 June 2024

### **Grant Thornton**

Certified Public Accountants  
Company reg. no. 34 20 99 36

### **Michael Beuchert**

State Authorised Public Accountant  
mne32794

## **Company information**

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### **The company**

Amphenol Cabelcon ApS  
Industriparken 10  
4760 Vordingborg

Company reg. no. 17 37 66 32

Financial year: 1 January 2023 - 31 December 2023

### **Board of directors**

Richard Adam Norwitt  
Craig Anthony Lampo

### **General Manager**

Amy Elise Andersen

### **Auditors**

Grant Thornton, Godkendt Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

## Financial highlights

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DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Income statement:</b>					
Gross profit	13.392	20.258	26.254	29.339	35.602
Profit from operating activities	312	8.100	10.458	8.630	3.834
Net financials	-327	-890	-155	-900	475
Net profit or loss for the year	-102	5.584	8.053	6.020	3.349
<b>Statement of financial position:</b>					
Balance sheet total	91.843	109.691	111.139	128.775	124.481
Investments in property, plant and equipment	3.817	737	5.513	1.438	2.287
Equity	77.851	77.953	72.730	65.317	58.297
<b>Employees:</b>					
Average number of full-time employees	58	66	68	76	89
<b>Key figures in %:</b>					
Solvency ratio	84,8	71,1	65,4	50,7	46,8
Return on equity	-0,1	7,4	11,7	9,7	5,9

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

**Solvency ratio** 
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

**Return on equity** 
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$



## Management's review

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### Description of key activities of the company

Like previous years, the Company is engaged in the development, manufacturing, and sale of connectors for the cable television and telecommunications industries. The Company's products are primarily sold within the European market.

### Development in activities and financial matters

The income statement for the Company 2023 shows a profit/loss of TDKK -102 (2022: TDKK 5,585) and as of 31 December 2023 the balance sheet shows equity of TDKK 77,851 (2022; TDKK 77,953).

The financial year 2023 was similar to 2022 impacted by a lower order intake due to the global economic situation, market conditions in Europe related to the Ukraine war and increased price levels of raw materials and transportation. Thus, the revenue and net profit landed below expectations – revenue -24% vs 2022 (2023 expectations +/- 5% of 2022-level). The gross profit for the year totals TDKK 13,392 against TDKK 20,258 last year and a decrease in the Net profit from ordinary activities after tax totals DKK -102 against TDKK 5.584 last year. The management considers the net profit or loss for the year as not satisfactory.

### Expected developments

Taking the current business environment and the year-end result of 2023 into consideration, the management has engaged in new markets (eastern Europe and India), product development and expects an improvement vs 2023 with a net profit level of TDKK 2,000-3,500. For 2024 the gross profit is targeted to increase between 10-15%.

### Knowledge resources

The strong segment position of the Company is a result of the total knowledge resources in the organization. It is a management objective that knowledge about products, manufacturing and market conditions are shared across the organization. An additional Management objective is to continuously ensure a high degree of quality awareness in all processes.

### Environmental issues

Since 2002, the Company has been certified according to the ISO 14001 standard. In addition, the Company complies with standards that in many areas are beyond standards of local legislation. The Company is dedicated to improving the health and safety standards within the Company, and the outstanding level of excellence was maintained again during 2023.

### Research and development activities

The Company has maintained its level of development in order to penetrate new markets, partly as current product customization, which is normal for the industry, partly through the optimization of products, both in terms of technology and complexity.

### Events occurring after the end of the financial year

There are no subsequent events to be mentioned.

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Gross profit</b>	<b>13.392</b>	<b>20.258</b>
Distribution costs	-3.887	-3.748
Administration expenses	-9.193	-8.410
<b>Operating profit</b>	<b>312</b>	<b>8.100</b>
Other financial income	1	36
3 Other financial expenses	-328	-926
<b>Pre-tax net profit or loss</b>	<b>-15</b>	<b>7.210</b>
4 Tax on net profit or loss for the year	-87	-1.626
<b>5 Net profit or loss for the year</b>	<b>-102</b>	<b>5.584</b>

## Balance sheet at 31 December

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Non-current assets</b>		
6 Acquired concessions, patents, licenses, trademarks, and similar rights	89	203
Total intangible assets	89	203
7 Land and buildings	7.633	8.629
8 Plant and machinery	2.596	3.673
9 Other fixtures, fittings, tools and equipment	2.291	2.311
10 Property, plant and equipment in progress and prepayments for property, plant and equipment	1.014	668
Total property, plant, and equipment	13.534	15.281
<b>Total non-current assets</b>	<b>13.623</b>	<b>15.484</b>
<b>Current assets</b>		
Raw materials and consumables	4.276	9.097
Work in progress	8.462	18.288
Manufactured goods and goods for resale	13.526	16.754
Total inventories	26.264	44.139
Trade receivables	14.453	21.939
Receivables from group enterprises	2.171	2.045
11 Deferred tax assets	633	654
Other receivables	723	1.288
12 Prepayments	622	550
Total receivables	18.602	26.476
Cash and cash equivalents	33.354	23.592
<b>Total current assets</b>	<b>78.220</b>	<b>94.207</b>
<b>Total assets</b>	<b>91.843</b>	<b>109.691</b>

**Balance sheet at 31 December**

DKK thousand.

<b>Equity and liabilities</b>		<u>2023</u>	<u>2022</u>
<u>Note</u>			
<b>Equity</b>			
	Contributed capital	500	500
	Retained earnings	77.351	77.453
	<b>Total equity</b>	<b>77.851</b>	<b>77.953</b>
<b>Provisions</b>			
13	Other provisions	427	227
	<b>Total provisions</b>	<b>427</b>	<b>227</b>
<b>Liabilities other than provisions</b>			
14	Other payables	2.228	2.154
	Total long term liabilities other than provisions	2.228	2.154
	Trade payables	6.771	8.896
	Payables to group enterprises	555	13.001
	Income tax payable	68	153
	Other payables	3.943	7.307
	Total short term liabilities other than provisions	11.337	29.357
	<b>Total liabilities other than provisions</b>	<b>13.565</b>	<b>31.511</b>
	<b>Total equity and liabilities</b>	<b>91.843</b>	<b>109.691</b>

**1 Subsequent events****2 Employee issues****15 Contingencies****16 Related parties**

## Statement of changes in equity

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DKK thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
Equity 1 January 2022	500	71.869	72.369
Retained earnings for the year	<hr/> 0	<hr/> 5.584	<hr/> 5.584
Equity 1 January 2023	500	77.453	77.953
Retained earnings for the year	<hr/> 0	<hr/> -102	<hr/> -102
	<hr/> <b>500</b>	<hr/> <b>77.351</b>	<hr/> <b>77.851</b>

## Notes

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DKK thousand.

### 1. Subsequent events

No circumstances have occurred after the balance sheet date that have a significant influence on the assessment of the annual report.

### 2. Employee issues

Salaries and wages	26.529	35.979
Pension costs	2.678	2.721
Other costs for social security	1.403	1.446
	<u>30.610</u>	<u>40.146</u>

Staff costs are recognised as follows in the income statement:

Production costs	23.538	33.373
Distribution costs	2.132	2.203
Administration expenses	4.939	4.571
	<u>30.609</u>	<u>40.147</u>

Executive board and board of directors	<u>0</u>	<u>1.795</u>
Average number of employees	<u>58</u>	<u>66</u>

Remuneration to the Executive Board for 2023 has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

### 3. Other financial expenses

Financial costs, group enterprises	85	286
Other financial costs	243	640
	<u>328</u>	<u>926</u>

### 4. Tax on net profit or loss for the year

Tax on net profit or loss for the year	68	1.907
Adjustment of deferred tax for the year	21	-341
Adjustment of tax for previous years	-2	60
	<u>87</u>	<u>1.626</u>

## Notes

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DKK thousand.

	<u>2023</u>	<u>2022</u>
<b>5. Proposed distribution of net profit</b>		
Transferred to retained earnings	0	5.584
Allocated from retained earnings	-102	0
<b>Total allocations and transfers</b>	<u>-102</u>	<u>5.584</u>
<b>6. Acquired concessions, patents, licenses, trademarks, and similar rights</b>		
Cost 1 January 2023	2.479	2.479
Additions during the year	-87	0
<b>Cost 31 December 2023</b>	<u>2.392</u>	<u>2.479</u>
Amortisation and write-down 1 January 2023	-2.276	-2.136
Amortisation and depreciation for the year	-114	-140
Depreciation, amortisation, and impairment loss for the year, assets disposed of	87	0
<b>Amortisation and write-down 31 December 2023</b>	<u>-2.303</u>	<u>-2.276</u>
<b>Carrying amount, 31 December 2023</b>	<u>89</u>	<u>203</u>
<b>7. Land and buildings</b>		
Cost 1 January 2023	37.993	37.964
Disposals during the year	-92	-281
Transfers	0	310
<b>Cost 31 December 2023</b>	<u>37.901</u>	<u>37.993</u>
Depreciation and write-down 1 January 2023	-29.364	-28.469
Amortisation and depreciation for the year	-987	-1.176
Depreciation, amortisation and impairment loss for the year, assets disposed of	83	281
<b>Depreciation and write-down 31 December 2023</b>	<u>-30.268</u>	<u>-29.364</u>
<b>Carrying amount, 31 December 2023</b>	<u>7.633</u>	<u>8.629</u>

## Notes

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DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>8. Plant and machinery</b>		
Cost 1 January 2023	64.164	63.720
Correction primo	-1.692	0
Additions during the year	1.691	0
Disposals during the year	-265	-44
Transfers	0	488
<b>Cost 31 December 2023</b>	<b><u>63.898</u></b>	<b><u>64.164</u></b>
Depreciation and write-down 1 January 2023	-60.491	-59.363
Amortisation and depreciation for the year	-1.076	-1.143
Depreciation, amortisation and impairment loss for the year, assets disposed of	265	15
<b>Depreciation and write-down 31 December 2023</b>	<b><u>-61.302</u></b>	<b><u>-60.491</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>2.596</u></b>	<b><u>3.673</u></b>
<b>9. Other fixtures, fittings, tools and equipment</b>		
Cost 1 January 2023	12.522	13.066
Additions during the year	891	0
Disposals during the year	-665	-377
Transfers	0	-167
<b>Cost 31 December 2023</b>	<b><u>12.748</u></b>	<b><u>12.522</u></b>
Depreciation and write-down 1 January 2023	-10.200	-9.743
Amortisation and depreciation for the year	-912	-856
Depreciation, amortisation and impairment loss for the year, assets disposed of	655	388
<b>Depreciation and write-down 31 December 2023</b>	<b><u>-10.457</u></b>	<b><u>-10.211</u></b>
<b>Carrying amount, 31 December 2023</b>	<b><u>2.291</u></b>	<b><u>2.311</u></b>



## Notes

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DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>10. Property, plant and equipment in progress and prepayments for property, plant and equipment</b>		
Cost 1 January 2023	668	562
Additions during the year	1.235	737
Disposals during the year	-889	0
Transfers	0	-631
<b>Cost 31 December 2023</b>	<b><u>1.014</u></b>	<b><u>668</u></b>
 <b>Carrying amount, 31 December 2023</b>	 <b><u>1.014</u></b>	 <b><u>668</u></b>
 <b>11. Deferred tax assets</b>		
Deferred tax assets 1 January 2023	654	313
Deferred tax of the net profit or loss for the year	-21	341
	<b><u>633</u></b>	<b><u>654</u></b>
 <b>12. Prepayments</b>		
Prepayments consist of prepaid expenses concerning insurance premiums, EDB-services and exhibitions etc.		
 <b>13. Other provisions</b>		
Other provisions 1 January 2023	227	227
Change in other provisions for the year	200	0
	<b><u>427</u></b>	<b><u>227</u></b>
 Maturity is expected to be:		
more than 5 years	427	227
	<b><u>427</u></b>	<b><u>227</u></b>

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.

## Notes

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DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>14. Other payables</b>		
Total other payables	6.171	9.578
Share of amount due within 1 year	<u>-3.943</u>	<u>-7.424</u>
	<b><u>2.228</u></b>	<b><u>2.154</u></b>
Share of liabilities due after 5 years	<u>2.229</u>	<u>2.153</u>

## 15. Contingencies

### Contingent liabilities

	<u>DKK in thousands</u>
Lease liabilities	<u>294</u>
<b>Total contingent liabilities</b>	<b><u>294</u></b>

### Joint taxation

With Mocorp Holding A/S, company reg. no 32 29 82 30 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

## Notes

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DKK thousand.

### 16. Related parties

#### Controlling interest

Amphenol Technologies Holding GmbH

Majority shareholder

#### Transactions

The company has the following related party transactions:

	<u>2023</u>
Sales of services/goods	24.610
Purchases of services/goods	614
Salaries and remunerations	186

For intercompany balances see balance sheet and interests see note 3.

#### Consolidated financial statements

The company is included in the consolidated financial statements of Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut 06492.

## Accounting policies

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The annual report for Amphenol Cabelcon ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Amphenol Corporation.

Minor reclassifications have been made to the comparative figures in order to strengthen the true picture of the annual accounts. The reclassifications have no effect on the result before tax, the result for the year or equity.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

## **Accounting policies**

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Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### **Income statement**

#### **Gross profit**

Gross profit comprises revenue and production costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognized, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories.

#### **Distribution costs**

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

#### **Administration expenses**

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to transactions in foreign currency and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

### Statement of financial position

#### Intangible assets

##### Intangible fixed assets

Intangible fixed assets is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 5 years.

#### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-25 years
Plant and machinery	3-12 years
Other fixtures and fittings, tools and equipment	3-8 years

## **Accounting policies**

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Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### **Property, plant, and equipment in progress**

Property, plant, and equipment in progress are measured and recognised as the total costs incurred plus indirect costs and finance costs. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

### **Leases**

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

## **Accounting policies**

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Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **Receivables**

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

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

### **Prepayments**

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Amphenol Cabelcon ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.



## **Accounting policies**

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Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Provisions**

Provisions comprise expected costs of warranty commitments etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.