

Micross Hi Rel Power Solutions ApS

Registered office: Ellekær 9, 2. Tv, 2730 Herlev

CVR-number 27 48 95 24

Annual Report 2022/2023

Financial year: 01.10.2022 – 31.12.2023

Approved at the annual general meeting of shareholders on 30.6.2024

Vincent Michael Buffa
Chairman

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Company Information

The Company	Micross Hi Rel Power Solutions ApS Ellekær 9, 2. sal 2730 Herlev Registered office: Herlev
Executive Board	Lass Sølvér Pedersen
Board of Supervisors	Vincent Michael Buffa Jeremy Wayne Adams jr. Graham Michael John Jefferies Lass Sølvér Pedersen
Auditors	Aaen & Co Statsautoriserede revisorer P/S Kongevejen 3 3000 Helsingør DK - Denmark
Financial year	1 January - 31 December

Management's Review

The Company's business review

Micross Hi-Rel Power Solutions Denmark ApS serves as a design centre for power supplies and related power

electronics for the group of companies affiliated with the parent, Micross Components Inc.

The design centre contributes to Micros Hi-Rel Power Solutions Unit with new designs for standard as well as customer-specific power supplies.

The design centre focusses mainly on power supplies for space applications and mainly for two types of equipment:

- Digital equipment
- RF equipment

Significant changes in the company's activities and financial affairs

Micross Components Inc. has purchased the High-Reliability DC-DC converter business from Infineon Technologies AG, hereunder the legal entity of IR HIrel Denmark ApS hereafter named Micross Hi Rel Power Solutions ApS. The deal was closed on the 28th of February 2023 and the fiscal year has been changed to end on December 31.

Post balance sheet events

Currently the entity is working to become an order taking and producing entity in addition to being a design center. These plans are planned to be effectuated during the remainder of 2024 and early 2025.

Statement by Board of Directors and Executive Board on the annual report

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Micross Hi Rel Power Solutions ApS for the financial year 1 October 2022 - 31 December 2023

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Annual Report gives a true and fair view of the Company's financial position on 31 December 2023 and the results of operations for the financial year 1 October 2022 - 31 December 2023 of the Company.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

We recommend that the Annual Report should be approved at the annual general meeting.

Herlev, 30 June 2024.

Executive Board

Lass Sølver Pedersen

Board of Supervisors

Vincent Michael Buffa

Jeremy Wayne Adams jr.

Lass Sølver Pedersen

Graham Michael John Jefferies

Independent auditors' report

To the shareholders of Micross Hi Rel Power Solutions ApS:

Opinion

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 October 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Micross Hi Rel Power Solutions ApS for the financial year 1 October 2022 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 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.

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.

Independent auditors' report

- 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.

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, in our view, 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 in Management's Review.

Elsinore, 30. June 2024

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør – CVR-nummer 33 24 17 63

Niels Borum Madsen

State Authorised Public Accountant

mne32274

Accounting Policies

Basis of accounting

The Annual Report of Micross Hi Rel Power Solutions ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The company has changed its accounting policy this year regarding the presentation currency in the financial statements. The company has chosen to change the presentation currency from Danish kroner to US dollars, as it is the company's functional currency.

The effect of the change has solely a presentational significance, and the comparative figures have also been adjusted to the new policy. Management believes that the changed accounting policy provides a more accurate representation of the company's activities and financial position.

Besides the above, the accounting policies applied by the company are consistent with those of last year.

Information of the consolidated financial statements

Copies of these accounts are not available to the public

Corfin Holding, Inc.
225 Broadhollow Road
Suite 305
Melville
NY
11747
USA

Reporting currency

The financial statements are presented in US Dollars.

Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment, are recognised in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the rate of exchange at the date of transaction.

Revenue

Revenue is recognized in the income statement as a re-invoicing of the company's expenses plus a mark-up (cost-plus recognition).

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Employee expenses

Staff costs include salaries and bonuses, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The items are net of refunds made by public authorities.

Other operating income

Other operating income comprise items of a secondary nature compared to the core activities of the Company, such as profit from the sale of fixed assets and received contribution to expenses for exploration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Accounting Policies

Property, plant and equipment

Other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures and fittings, tools and equipment	3-8	years	Projected residual value	0%
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Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale.

Investments

Deposits, investments are measured at cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount. Investments comprise rent deposits, which is measured at cost.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years and are measured at nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of changes in value.

Accounting Policies

Corporation tax and deferred tax

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

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallised as current tax.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Income statement 1. October 2022 - 31 December 2023

Note	2023	2022
	USD	USD
Revenue	6.000.104	5.243.772
Other external expenses	1.777.578	1.297.410
Gross margin	4.222.526	3.946.362
1 Staff costs	4.332.270	3.437.851
Depreciation	111.941	149.846
Profit from operating activities	-221.685	358.665
Financial income	0	8.513
2 Financial expenses	403.413	16.137
Profit before tax	-625.098	351.041
3 Tax for the year	0	77.931
Profit for the year	-625.098	273.110
Proposed profit appropriation		
Dividend	0	0
Retained earnings	-625.098	273.110
Disponeret	-625.098	273.110

Balance sheet at 31 December 2023

Assets

Note	2023	2022
	USD	USD
4 Fixtures, fittings, tools and equipment	577.289	652.952
Property, plant and equipment	577.289	652.952
Deposits	43.067	37.578
Total Investments	43.067	37.578
Total fixed assets	620.356	690.530
Receivables from group entities	3.756.978	813.556
Other receivables	43.389	59.121
Prepayments	0	13.250
Tilgodehavender	3.800.367	885.927
Cash at bank and in hand	111.131	1.191.739
Total current assets	3.911.498	2.077.666
Aktiver i alt	4.531.854	2.768.196

Balance sheet at 31 December 2023

Equity and liabilities

Note	2023	2022
	USD	USD
Share capital	17.923	17.923
Retained earnings	460.941	1.086.039
Proposed dividend	0	0
Total equity	478.864	1.103.962
Provisions for deferred tax	0	2.950
Provisions	0	2.950
Trade payables	62.220	513.041
Payables to group entities	3.093.393	254.038
Income taxes payable	0	29.379
Other payables	897.377	864.826
Total current liabilities	4.052.990	1.661.284
Total liabilities	4.052.990	1.661.284
Total equity and liabilities	4.531.854	2.768.196

5 Contractual obligation

6 Contingent liabilities

7 Related parties

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend</u>	<u>Total</u>
Equity 1. October 2021	17.923	812.928	0	830.851
Dividend paid	0	0	0	0
Profit for the year	0	273.110	0	273.110
Equity 30 September 2022	17.923	1.086.039	0	1.103.962
Equity 1. October 2022	17.923	1.086.039	0	1.103.962
Dividend paid	0	0	0	0
Profit for the year	0	-625.098	0	-625.098
Equity 31 December 2023	17.923	460.941	0	478.864

Notes

	2023	2022
	<u> </u>	<u> </u>
1 Staff costs		
Wages/salaries	4.005.538	3.151.282
Pensions	296.925	251.180
Other social security costs	14.988	8.197
Other staff costs	14.819	27.192
Total staff costs	<u>4.332.270</u>	<u>3.437.851</u>
Average number of employees	<u>25</u>	<u>25</u>
2 Financial expenses		
Interest expense	4.394	8.970
Exchange loss	399.019	7.167
	<u>403.413</u>	<u>16.137</u>
3 Tax for the year		
Calculated tax charge for the year	0	63.634
Prior years tax	0	404
Increase/decrease in provision for deferred tax	0	13.893
	<u>0</u>	<u>77.931</u>

Notes

	2023	2022
	<u> </u>	<u> </u>
4 Fixtures, fittings, tools and equipment		
Cost at 1. October 2022	1.129.554	480.961
Transferred from note 5	0	894.127
Additions in the year	36.278	62.323
Departure in the year	0	307.857
	<u> </u>	<u> </u>
Cost 31 December 2023	1.165.832	1.129.554
	<u> </u>	<u> </u>
Impairment losses and depreciation at 1. October 2022	476.602	331.629
Amortisation/depreciation in the year	111.941	149.846
Reversal of depreciation and impairment of disposals	0	4.873
	<u> </u>	<u> </u>
Impairment losses and depreciation at 31 December 2023	588.543	476.602
	<u> </u>	<u> </u>
Carrying amount at 31 December 2023	577.289	652.952
	<u> </u>	<u> </u>

5 Contractual obligation

The company has entered a lease concerning office premises. In the period of non-terminality, the lease payment is '000 USD 65. The monthly lease payment is USD 10.797.

6 Contingent liabilities

The company has not provided any pledges or collateral.

Notes

7 Related parties

Information about related parties with a controlling interest:

Related parties

Micross Hi Rel Power Solutions, Inc.
225 Broadhollow Road
Suite 305
Melville
NY
11747
USA
Owns 100% of the shares in the company.

Information about consolidated financial statements:

Ultimate parent

The IAS GAAP equivalent financial results of the company are combined within the consolidated financial statements of the ultimate parent, Corfin Holding, Inc. Copies of these accounts are not available to the public

Corfin Holding, Inc.
225 Broadhollow Road
Suite 305
Melville
NY
11747
USA
Owns 100% of the shares in the company.