

# International Rectifier HiRel Denmark ApS

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

CVR-no. 27 48 95 24

## Annual report 2019/2020

Annual report for the financial period: 1 October 2019 – 30 September 2020

Approved at the annual general meeting of shareholders on 1 February 2021

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Thomas Arne Rodebäck  
As chairman

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## Statement by Supervisory Board and Executive Board on the annual report

The Supervisory Board and the Executive Board have today discussed and approved the annual report of International Rectifier HiRel Denmark ApS for the financial year 1 October 2019 - 30 September 2020.

The annual report has been prepared 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 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020.

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

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

Herlev, 1 February 2021

Executive board

Lass Sølvér Pedersen

Supervisory board

Lass Sølvér Pedersen

Gary Lee Chauncey

Lawrence Anthony Michlovich

Thomas Arne Rodebäck

## Independent Auditor's Report

To the shareholder of International Rectifier HiRel Denmark ApS:

### Opinion

We have audited the financial statements of International Rectifier HiRel Denmark ApS for the financial year 1 October 2019 - 30 September 2020, comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 – 30 September 2020 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 rules and 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company 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 Auditor's 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 the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 1 February 2021  
KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Jesper Bo Pedersen  
State Authorised Public Accountant  
mne42778

## Management's review

### The company's business review

International Rectifier HiRel Denmark ApS serves as a design centre for power supplies and related power electronics for the group of companies affiliated with the parent, Infineon Technologies Americas Corp.

The design centre contributes to Infineon's HiRel Business Unit with new designs for standard as well as customer-specific power supplies.

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

- Digital equipment
- RF equipment

### Material changes in the Company's activities and economic conditions

During the year no material changes in the activities and economic conditions have occurred.

The impact of covid-19 and the lockdown of economies across the world on the global economic outlook will be significant.

Management will monitor the situation closely. The implications of covid-19 on the Company's Financial Statements for 2020 will be a decreased level of activity with respect to travelling. It is, however, too early for Management to give an opinion as to the implications of covid-19 on the future level of activity.

### Post balance sheet events

No significant events have occurred after the balance sheet date which are considered to significantly influence the assessment of the annual report.

## Company details

The Company	International Rectifier HiRel Denmark ApS Ellekær 9, 2. sal 2730 Herlev  Registered office: Herlev
Executive board	Lass Sølvér Pedersen
Supervisory board	Lass Sølvér Pedersen, chairman Gary Lee Chauncey Lawrence Anthony Michlovich Thomas Arne Rodebäck
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 Copenhagen, Denmark Tel. +45 70 70 77 60
Financial year	1 October – 30 September

## Income statement 1 October - 30 September

Note	2019/2020	2018/2019
Revenue	36.560.802	36.189.328
Other external expenses	7.122.476	9.015.194
Gross margin	29.438.325	27.174.134
2 Staff costs	26.486.293	24.318.779
Depreciation of property, plant and equipment	374.965	368.019
Profit from operating activities	2.577.067	2.487.336
3 Financial income	11.828	56.805
Financial expenses	81.642	121.034
Profit before tax	2.507.253	2.423.107
4 Tax for the year	552.056	534.501
Profit for the year	1.955.197	1.888.606
Proposed profit appropriation		
Dividend	2.000.000	2.000.000
Retained earnings	-44.803	-111.394
	1.955.197	1.888.606



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## Balance sheet at 30 September

### Assets

Note	2020	2019
Fixtures, fittings, tools and equipment	1.077.977	807.600
5 Property, plant and equipment	1.077.977	807.600
Deposits	355.772	355.757
Investments	355.772	355.757
Total fixed assets	1.433.749	1.163.357
Receivables from group entities	5.490.919	2.099.290
Deferred tax assets	46.990	59.210
Income taxes receivable	69.652	0
Other receivables	425.729	301.357
Prepayments	94.573	169.630
Receivables	6.127.863	2.629.487
Cash at bank and in hand	11.797.342	11.162.741
Total current assets	17.925.205	13.792.228
Total assets	19.358.954	14.955.585

## Balance sheet at 30 September

## Equity and liabilities

Note	2020	2019
Share capital	126.000	126.000
Retained earnings	5.774.881	5.819.684
Proposed dividend	2.000.000	2.000.000
Total equity	7.900.881	7.945.684
Trade payables	463.818	383.579
Payables to group entities	1.114.811	499.816
Other payables	9.879.444	6.126.506
Total current liabilities	11.458.073	7.009.901
Total liabilities	11.458.073	7.009.901
Total equity and liabilities	19.358.954	14.955.585
6 Contingent liabilities and other financial obligations		
7 Related parties		

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## Statement of changes in equity

## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity 1 October	126.000	5.819.684	2.000.000
Dividend paid	0	0	-2.000.000
Profit for the year	0	-44.803	2.000.000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity 30 September	126.000	5.774.881	2.000.000
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## Notes

### 1 Accounting policies

The annual report of International Rectifier HiRel Denmark ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Information of the consolidated financial statements

The ultimate parent and controlling company is Infineon Technologies AG ("IFAG"). Copies of IFAG's consolidated accounts are available from:

Corporate Vice President Communications and Public Authorities & Associations  
Infineon Technologies AG,  
C MR  
Am Campeon 1-15  
85579 Neubiberg  
Germany

#### Reporting currency

The financial statements are presented in Danish krone.

#### Recognition and measurement

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

Assets are recognized 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 recognized 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.

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.

#### Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in the income statement as financial income and expenses.

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. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at cost at the transaction date rate.

## Notes

### 1 Accounting policies (continued)

#### Income statement

##### 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 comprise expenses relating to premises, travelling as well as office expenses, etc.

##### Staff costs

Staff costs comprise salaries, bonuses, retirement contribution costs and other costs related hereto and to staff.

##### Financial income and expenses

Financial income and expenses comprise interest and realized and unrealized exchange rate adjustments as well as surcharges and refunds under the on-account tax scheme, etc.

##### Income tax expense

The tax for the year which consists of the current tax for the year, joint taxation contributions for the year and changes in the deferred tax, is recognized in the income statement.

#### Balance sheet

##### Property, plant and equipment

Fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-8	years	Projected residual value	0%
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Gains and losses on the disposal of fixtures, fittings, tools and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement.

## Notes

### 1 Accounting policies (continued)

#### Balance sheet

##### Deposits

Deposits are measured at cost.

##### Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less a provision for bad debts.

##### Prepayments

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

##### Cash

Cash comprise cash in hand and deposits in bank accounts.

##### Dividends

Proposed dividends are recognized as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividends payment for the year are disclosed as a separate item under equity.

##### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognized in the balance sheet as tax calculated on the taxable income, adjusted for tax on prior years' taxable income and tax paid on account.

Payable and receivable joint taxation contributions are recognized in the balance sheet under accounts with affiliates.

Deferred tax is measured according to the balance liability method of all temporary differences between accounting and tax values of assets and liabilities. It does not recognize deferred tax on temporary differences relating to items where temporary differences have arisen at the time of acquisition without affecting profit or taxable income. In those situations, where the tax base can be made for alternative taxation rules, deferred tax is based on the planned use of the asset or settlement of the obligation.

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

Changes in deferred tax due to change in tax rate is recognized in the income statement.

##### Liabilities

Other payables are recognized at cost when the debt is contracted. Subsequently, other payables are measured at amortized cost, which for current and non-interest-bearing liabilities and for liabilities with a floating interest rate normally corresponds to the nominal value.

## Notes

	<u>2019/2020</u>	<u>2018/2019</u>
2 Staff costs		
Wages/salaries	24.422.829	22.188.671
Pensions	1.902.123	2.017.571
Other social security costs	161.341	112.537
Total staff costs	<u>26.486.293</u>	<u>24.318.779</u>
Average number of employees	<u>29</u>	<u>29</u>
3 Financial expenses		
Interest expense	67.458	100.602
Exchange loss	14.185	20.432
	<u>81.642</u>	<u>121.034</u>
4 Tax for the year		
Calculated tax charge for the year	539.836	536.624
Prior years tax	0	-113
Increase/decrease in provision for deferred tax	12.220	-2.010
	<u>552.056</u>	<u>534.501</u>





## Notes

### 7 Related parties

Information about related parties with a controlling interest:

Related parties

Infineon Technologies Americas Corp.  
101 North Sepulveda Boulevard  
El Segundo  
CA 90245  
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, Infineon Technologies AG. The consolidated financial statement can be obtained at the following address:

Corp. Vice President Communications and Public Authorities & Associations  
Infineon Technologies AG  
C MR  
Am Campeon 1-15  
85579 Neubiberg  
Germany