

Phillips-Medysize Holdings A/S
Gimsinglundvej 20
DK -7600 Struer

Annual Report 2021

1 January 2021 - 31 December 2021

The Annual Report was presented
and adopted at the Annual General
Meeting of the Group
on 30 June 2022

DocuSigned by:

David Cole

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Chairman, David William Cole

CVR No 37705497

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Company Information

Phillips-Medysize Holdings A/S
CVR No 37705497

Country of registration

Denmark

Board of Directors

David William Cole
Katherine Mary Dornan
Brett Landrum

Executive Board

Katrine Hammer

Main office

Phillips-Medysize Holdings A/S
Gimsinglundvej 20
DK-7600 Struer

Main activity

Investment in Phillips-Medysize A/S

Auditors

Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Ownership

Pantheon Topco, Inc.
4001 Kennett Pike, Suite 302
City of Wilmington
County of New Castle
Delaware 19807
USA
Ownership share: 100%

Management's Review

Main activity

The object of the company is holding activities and investment in Phillips-Medsize A/S.

Development in the year

In the period 1. January - 31 December 2021, the company has a loss of DKK 17,472k.

The parent company has provided the company with a letter of support valid for a period of one year following the date of approval of the company's financial statements for 2021, which obliges the parent company to provide the company with necessary funds as may be required to ensure that the company maintains capital and liquidity levels to enable the company at all times to meet its obligations in conformity with standards of prudence generally accepted for the company's field of business.

The company's contributed capital is lost. Management expects the capital to be re-established by dividend from its subsidiary.

Significant post balance sheet events

No events have occurred which significantly affect the assessment of the Annual Report.

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Phillips-Medisize Holdings A/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company's operations and cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

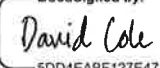
Struer, 30 June 2022

Executive Board

DocuSigned by:

0C0A97E118DE485...
Katrine Hammer
CEO

Board of Directors

DocuSigned by:

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David William Cole

Chairman

DocuSigned by:

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Katherine Mary Dornan

DocuSigned by:

27CD0F100F5946B...
Brett Landrum

Independent auditor's report

To the shareholders of Phillips-Medsize Holdings A/S

Opinion

We have audited the financial statements of Phillips-Medsize Holdings A/S for the financial year 1 January - 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 1 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 1 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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 note 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 June 2022

Grant Thornton

Statsautoriseret Revisionspartnerselskab

Stockholmsgade 45

2100 København Ø

CVR.no. 34 20 99 36

Martin Bomholtz

State Authorised

Public Accountant

mne 34117

Comprehensive income statement

Phillips-Medsize Holdings A/S			
(DKK '000)			
Notes		<u>2021</u>	<u>2020</u>
	Revenue	-	-
	Administrative expenses etc	<u>(86)</u>	<u>(216)</u>
	Operating profit/loss	(86)	(216)
5	Financial income	-	18,768
6	Financial expenses	<u>(21,278)</u>	<u>(7,300)</u>
	Net financials	<u>(21,278)</u>	<u>11,468</u>
	Profit/loss on ordinary activities before tax	(21,364)	11,252
7	Tax on profit/loss on ordinary activities	<u>3,892</u>	<u>(2,475)</u>
	Net profit/loss for the year	(17,472)	8,777
	Other income and expenses recognised directly via equity	<u>-</u>	<u>-</u>
	Total comprehensive income	(17,472)	8,777

Assets

Phillips-Medsize Holdings A/S			
(DKK '000)			
Notes		<u>2021</u>	<u>2020</u>
	Fixed asset investments		
8	Investments in subsidiaries	<u>184,620</u>	<u>184,620</u>
	Total investments	<u>184,620</u>	<u>184,620</u>
	Total non-current assets	<u>184,620</u>	<u>184,620</u>
	Receivables		
9	Receivables from group enterprises	-	149
	Receivables from group enterprises, corporate tax	<u>24,062</u>	<u>3,606</u>
	Corporate tax	<u>-</u>	<u>2,595</u>
	Total receivables	<u>24,062</u>	<u>6,350</u>
	Cash at bank	-	-
	Total current assets	<u>24,062</u>	<u>6,350</u>
	Total assets	<u>208,682</u>	<u>190,970</u>

Liabilities and equity

Phillips-Medysize Holdings A/S			
(DKK '000)			
Notes		2021	2020
	Equity		
10	Share capital	500	500
11	Retained earnings	(24,675)	(7,203)
	Total equity	(24,175)	(6,703)
	Non-Current liabilities		
	Deferred tax	2,082	5,472
12	Payables to group enterprises	199,313	184,014
	Total non-current liabilities	201,395	189,486
	Current liabilities		
13	Other payables	74	90
12	Payables to group enterprises	1,524	2,492
	Corporate tax	16,174	-
	Bank	13,690	5,605
	Total current liabilities	31,462	8,187
	Total liabilities	232,857	197,673
	Total liabilities and equity	208,682	190,970

Statement of Changes in Equity

Phillips-Medysize Holdings A/S

(DKK '000)

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1. January 2020	500	(15,980)	-	(15,480)
Net profit/loss for the year		8,777		8,777
Proposed dividend for the year	-	-	-	-
Equity at 31 December 2020	500	(7,203)	-	(6,703)
Equity at 1. January 2021	500	(7,203)	-	(6,703)
Net profit/loss for the year		(17,472)		(17,472)
Proposed dividend for the year	-	-	-	-
Equity at 31 December 2021	500	(24,675)	-	(24,175)

Cash Flow Statement

Phillips-Medsize Holdings A/S

(DKK '000)

		2021	2020
Notes			
	Net profit/loss for the year	(17,472)	8,777
14	Adjustments	34,062	(8,993)
15	Change in working capital	14,464	(13,885)
	Cash flows from operating activities before net financials	31,054	(14,101)
	Financial income	-	18,768
	Financial expense	(21,278)	(7,300)
	Cash flows from ordinary activities	9,776	(2,633)
	Corporate tax paid/received	(17,861)	1,057
	Cash flows from operating activities	(8,085)	(1,576)
	Cash flows for the year	(8,085)	(1,576)
	Cash and cash equivalents, beginning of year	(5,605)	(4,029)
	Cash and cash equivalents, end of year	(13,690)	(5,605)
	Cash and cash equivalents consist of:		
	Cash at bank and in hand	(13,690)	(5,605)
	Cash and cash equivalents, end of period	(13,690)	(5,605)

Notes

General notes

- 1-4 General notes

Notes to the income statement

- 5 Financial income
- 6 Financial expenses
- 7 Tax on profit/loss on ordinary activities

Notes to the balance sheet

- 8 Fixed asset investments
- 9 Receivables from group enterprises
- 10 Share capital
- 11 Retained earnings
- 12 Payables to group enterprises
- 13 Other payables

Notes to the cash flow statement

- 14 Adjustments
- 15 Change in working capital

Notes without reference

- 16 Contingent liabilities and other financial obligations
- 17 Related parties
- 18 Group matters

Notes

1 Accounting Policies

Basis of preparation

The Financial Statements of Phillips-Medysize Holdings A/S has been prepared in accordance with International Financial Reporting Standards as approved by the EU (IFRS) and additional Danish requirements applying to medium-sized enterprises of reporting class C, cf. IFRS notification issued according to the Danish Financial Statements Act.

The Financial Statement is presented in DKK, which is considered as the functional currency of the company. The Financial Statement have been prepared under the same accounting policies as last year.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Translation policies

Receivables and payables

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. Gains and losses arising due to differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Comprehensive income

Phillips-Medysize Holdings A/S presents comprehensive income in one statement. The statement of total comprehensive income which includes result for the year and income recognized in other comprehensive income. Other comprehensive income includes exchange gains/losses arising from translating the financial statements of a foreign operation.

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Administrative expenses

Administrative expenses comprise expenses for auditor, office expenses, including amortisation, depreciation and impairment losses.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax

Tax for the year consists of current tax for the year and change in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes

The Company is jointly taxed with other Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Proposed dividend is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of 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 crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and 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 realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Fixed-interest loans, such as bank loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost, corresponding to the capitalised value when using the effective interest rate, so that the difference between the proceeds and the nominal value (capital loss) is recognised in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement

The cash flow statement is presented under the indirect method based on net profit/loss for the year.

The cash flow statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Notes

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, and corporation taxes as well as changes in working capital. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise of expenses received and paid and financial income, the raising and repayment of long-term debt, dividend paid and proceeds from share capital increases.

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings and withdrawals from overdraft facility. Cash flows in foreign currencies are translated at the average monthly exchange rates which do not deviate materially from the exchange rates at the date of payment.

Notes

2 New accounting standards

As of 1 January 2021, the company has implemented all new or amended accounting standards and interpretations as adopted by EU and applicable for the 2021 financial year. The implementation of new or amended standards and interpretations has not had any material impact on the financial statements.

3 Financial risk management

Phillips-Medsize Holdings A/S do not have any financial risk due to holding of shares in Phillips-Medsize A/S.

The Company manages the liquidity risk, which is expected to be low due to payables to other group enterprises and minor debts to none-group suppliers.

4 Staff expenses

The executive board and the board of directors has not received any remunerations during the financial year.

Notes

Phillips-Medsize Holdings A/S

(DKK '000)

5 Financial income	2021	2020
Foreign exchange gain	-	18,768
	-	18,768
6 Financial expenses	2021	2020
Interest on debt to group enterprises	(5,749)	(7,280)
Interest on debt to bank	(9)	(20)
Foreign exchange loss	(15,520)	-
	(21,278)	(7,300)
7 Tax on profit/loss on ordinary activities	2021	2020
Tax reimbursement, joint taxation	(502)	(1,273)
Deferred tax	(3,390)	3,748
Total tax on profit/loss on ordinary activities	(3,892)	2,475
Tax for the year is specified as follows:		
Tax to be recognised in the income statement	(3,892)	2,475
	(3,892)	2,475
Tax on profit/loss for the year is specified as follows:		
Calculated tax on profit/loss before tax	-	-
	-	-
Danish tax rate	22.0%	22.0%
Average effective tax rate for the year	22.0%	22.0%

Corporation tax paid, incl tax on account, amounts to DKK 2,206k.

At 1 June 2016, Phillips-Medsize A/S is part of the joint taxation with Phillips-Medsize Holdings A/S.

Notes

Phillips-Medsize Holdings A/S

(DKK '000)

8 Fixed asset investments

	Investments in subsidiaries
Cost at 1. January	184,620
Additions for the year	-
Cost at 31 December	184,620
Impairment losses at 1. January	-
Reversed impairment losses on disposals for the year	-
Impairment losses at 31 December	-
Carrying amount at 31 December 2021	184,620

Investments in subsidiaries are specified as follows:

Name	Share capital	Votes and ownership
Phillips-Medsize A/S		100%

9 Receivables from group enterprises

	2021	2020
Receivables from group enterprises at 31 December	-	149

No provision has been made for receivables from group enterprises

All receivables from group enterprises fall due within one year. The fair value of receivables from group enterprises is DKK 0k (2020: DKK 149k.)

Notes

Phillips-Medsize Holdings A/S

(DKK '000)

10 Share capital

	2021	2020
The share capital consists of 500,000 shares of DKK 1	500	500

No shares carry any special rights.

11 Retained earnings

In 2021 DKK 0 was paid as dividend, corresponding to DKK 0 per share.
A dividend of DKK 0k will be proposed for 2021.

Phillips-Medsize Holdings A/S' Executive Board and Board of Directors assess that the Company's capital structure is adequate.

Usually no dividend is paid out unless it may be included in net profit/loss for the year.

12 Payables to group enterprises

	2021	2020
Payables to group enterprises at 31 December	200,837	186,506
The due dates for payables to group enterprises are expected to be as followed:		
Due within 1 year	1,524	2,492
Due within 5 years	199,313	184,014

The fair value of payables to group enterprises is DKK 200,837k. (2020: DKK 186,506k.)

13 Other payables

	2021	2020
Other	74	90
Total other payables	74	90

No other payables fall due for payment after 1 year.

The fair value of other payables is DKK 74k. (2020: DKK 90k.)

For payables falling due within 1 year after the balance sheet date the carrying amount of the payables is in all materiality considered to equal the fair value of the payables.

14 Adjustments

	2021	2020
Financial income	-	(18,768)
Financial expenses	21,278	7,300
Tax on profit/loss for the year	12,784	2,475
	34,062	(8,993)

Notes

Phillips-Medisize Holdings A/S

(DKK '000)

15 Change in working capital	2021	2020
Change in receivables etc	149	4,751
Change in trade payables etc	14,315	(18,636)
	14,464	(13,885)

16 Contingent liabilities and other financial obligations

a Joint taxation

The Group companies are jointly and severally liable for tax on the Group's jointly taxed income etc. Total corporation tax payable appears from the Annual Report of Phillips-Medisize Holdings A/S, which is the administration company in relation to the joint taxation. The Group companies are moreover jointly and severally liable for Danish withholding taxes in the form of dividend.

b Litigations

Phillips-Medisize Holdings A/S is not engaged in any litigation.

17 Related parties

The Company's related party with controlling interest is Phillips Plastics Corporation.

The related parties with significant influence in the Company are the Board of Directors as well as their related family members. Related parties also comprise companies in which these persons have

Related parties with other influence in the Company are the Executive Board.

Executive Board and Board of Directors

There have not been any transactions with the Board of Directors or Executive Board.

18 Group matters

The Company, whose controlling shareholder is Pantheon Topco, inc., is included in the Consolidated Financial Statements of its Parent Company, MOLEX ELECTRONIC TECHNOLOGIES, LLC, 2222 Wellington Court Lisle, IL United States. Phillips-Medisize Holdings A/S is ultimate owned by Koch Industries Inc. 4111 East 37th Street North, Wichita, Kansas 67220. Phillips-Medisize Holdings A/S is included in the Consolidated Financial Statement for Koch Industries Inc.