

Rutronik Electronics Denmark ApS

Herstedøstervej 27, 2620 Albertslund

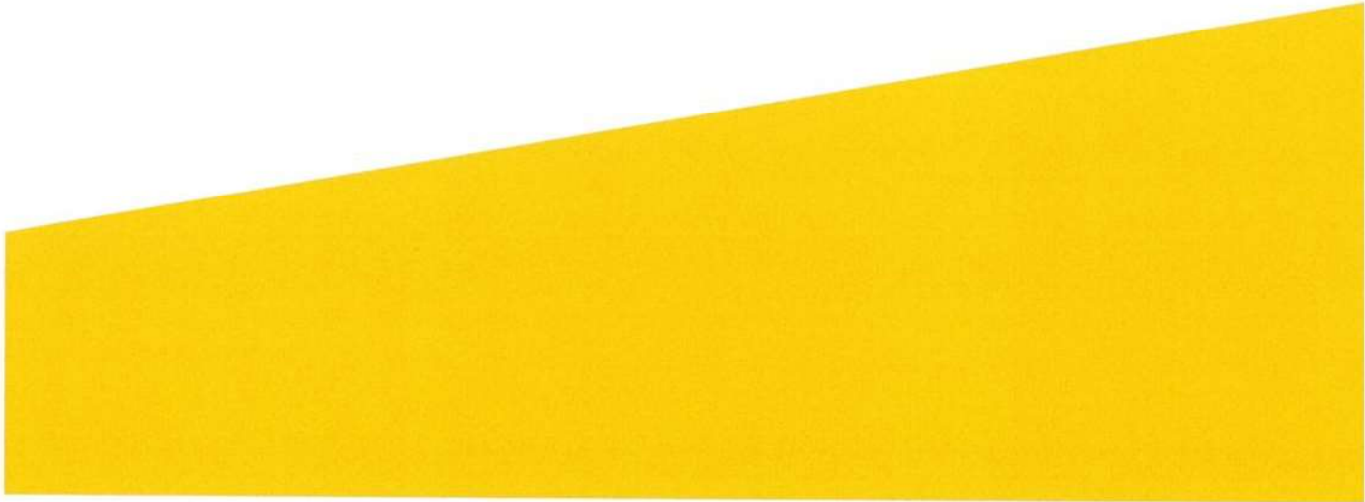
CVR no. 40 09 77 67

Annual report 2019

Approved at the Company's annual general meeting on 30 June 2020

Chairman:


.....
Gregor Bernhard Walther Sommer





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10



Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Rutronik Electronics Denmark ApS for the financial year 1 January - 31 December 2019.

The annual report is prepared in accordance with 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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 be approved at the annual general meeting.

Albertslund, 30 June 2020
Executive Board:

Thomas Rudel
Managing Director

Gregor Bernhard Walter
Sommer

Markus Krieg

Hans Henrik Hybholt

Independent auditor's report

To the shareholders of Rutronik Electronics Denmark ApS

Opinion

We have audited the financial statements of Rutronik Electronics Denmark ApS for the financial year 1 January - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 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 the 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 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 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 the 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 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 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 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, 30 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Martin Alsbæk
State Authorised Public Accountant
mne28627



Management's review

Company details

Name	Rutronik Electronics Denmark ApS
Address, Postal code, City	Herstedøstervej 27, 2620 Albertslund
CVR no.	40 09 77 67
Established	14 December 2018
Registered office	Albertslund
Financial year	1 January - 31 December
Executive Board	Thomas Rudel, Managing Director Gregor Bernhard Walter Sommer Markus Krieg Hans Henrik Hybholt
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company's main activity is sale of electronic components and other related operations

Financial review

The income statement for 2019 shows a profit of DKK 8,899,661, and the balance sheet at 31 December 2019 shows equity of DKK 38,949,661.

With accounting effect on 1 January 2019, the activity of the former Branch of Rutronik Elektronische Bauelemente GmbH, Germany was transferred by contribution to the company. The share capital was increased from DKK 50,000 to DKK 100,000 as part of the contribution.

The intra group transaction of the business activity from the Branch to the company has been applying the book value method with no adjustment of comparative figures.

Events after the balance sheet date

Rutronik Denmark have been able, until now, to make a healthy stable business, despite of the corona crisis. But the situation is unpredictable, as right now the corona epidemic is not in control in the world.

The 2020 result is depending on how quickly Denmark and other countries are able to come back to normal. Electronics in Denmark are depending of the world outside, as we are exporting things. The outside markets are slowly catching up, but still far away from normal.

No need to say that the economic situation in Denmark, as well international, is still in a serious critical situation. Hence, it is not possible for the company's management at the time of financial reporting to quantify the effect further.

No other events has materially affecting the Company's financial position have occurred subsequent to the financial year end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2019 12 months	2018 1 months
	Gross profit	20,702,473	0
2	Staff costs	-9,059,103	0
3	Depreciation of property, plant and equipment	-122,577	0
	Profit before net financials	11,520,793	0
4	Financial income	308,558	0
5	Financial expenses	-407,845	0
	Profit before tax	11,421,506	0
6	Tax for the year	-2,521,845	0
	Profit for the year	8,899,661	0
	Recommended appropriation of profit	8,899,661	0
	Retained earnings	8,899,661	0

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	185,916	0
		<u>185,916</u>	<u>0</u>
	Investments		
	Deposits, investments	77,765	0
		<u>77,765</u>	<u>0</u>
	Total fixed assets	<u>263,681</u>	<u>0</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	15,894,646	0
	Receivables from group enterprises	17,599,353	0
	Corporation tax receivable	1,549,743	0
	Other receivables	230,484	0
		<u>35,274,226</u>	<u>0</u>
	Cash	6,033,477	50,000
	Total non-fixed assets	<u>41,307,703</u>	<u>50,000</u>
	TOTAL ASSETS	<u>41,571,384</u>	<u>50,000</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	100,000	50,000
	Retained earnings	38,849,661	0
	Total equity	<u>38,949,661</u>	<u>50,000</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	273,621	0
		<u>273,621</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	125,001	0
	Other payables	2,223,101	0
		<u>2,348,102</u>	<u>0</u>
	Total liabilities other than provisions	<u>2,621,723</u>	<u>0</u>
	TOTAL EQUITY AND LIABILITIES	<u>41,571,384</u>	<u>50,000</u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	50,000	0	50,000
Additions of net assets from Branch	50,000	29,950,000	30,000,000
Transfer through appropriation of profit	0	8,899,661	8,899,661
Equity at 31 December 2019	100,000	38,849,661	38,949,661

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Rutronik Electronics Denmark ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

With accounting effect on 1 January 2019, the business activity of former Branch of Rutronik Elektronische Bauelemente GmbH, Germany was transferred by contribution to the company and applying the book value method with no adjustment of comparative figures.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fixtures and fittings, other plant and equipment 3 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

	2019 12 months	2018 1 months
DKK		
2 Staff costs		
Wages/salaries	8,655,134	0
Other social security costs	403,600	0
Other staff costs	369	0
	<u>9,059,103</u>	<u>0</u>
Average number of full-time employees	<u>13</u>	<u>0</u>
3 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	122,577	0
	<u>122,577</u>	<u>0</u>
4 Financial income		
Exchange gain	246,941	0
Other financial income	61,617	0
	<u>308,558</u>	<u>0</u>
5 Financial expenses		
Interest expenses, group entities	75,373	0
Exchange losses	293,471	0
Other financial expenses	39,001	0
	<u>407,845</u>	<u>0</u>
6 Tax for the year		
Estimated tax charge for the year	2,535,346	0
Deferred tax adjustments in the year	-13,501	0
	<u>2,521,845</u>	<u>0</u>
7 Property, plant and equipment		Fixtures and fittings, other plant and equipment
DKK		<u>0</u>
Cost at 1 January 2019		0
Additions from contribution of assets from Branch per 1 January 2019		305,532
Additions		2,961
Cost at 31 December 2019		<u>308,493</u>
Impairment losses and depreciation at 1 January 2019		0
Depreciation		122,577
Impairment losses and depreciation at 31 December 2019		<u>122,577</u>
Carrying amount at 31 December 2019		<u>185,916</u>
Depreciated over		<u>3 years</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Share capital

Analysis of changes in the share capital over the past 2 years:

DKK	2019	2018
Opening balance	50,000	50,000
Capital increase	50,000	0
	<u>100,000</u>	<u>50,000</u>

9 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2019	2018
Rent and lease liabilities	<u>706,241</u>	<u>0</u>

Rent and lease liabilities include a rent obligation totalling DKK 238,937 in rent agreements with remaining contract terms of 3-6 months. Furthermore, the Company has liabilities under operating leases for cars, totalling DKK 467,303, with remaining contract terms of 1-5 years.

10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

11 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Rutronik Elektronische Bauelemente GmbH	Industriestr. 2, 75228 Inspringen, Germany	By contacting the parent company

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Rutronik Elektronische Bauelemente GmbH	Industriestr. 2, 75228 Inspringen, Germany