Würth Elektronik Danmark A/S

Agro Food Park 26, 1., 8200 Aarhus N

CVR no. 44 12 98 41

Annual report 2023
(As of the establishment of the Company 16 June - 31 December 2023)

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

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Niels Bastian Braams

Contents

Statement by the Board of supervisors and the Executive Board

Today, the Board of supervisors and the Executive Board have discussed and approved the annual report of Würth Elektronik Danmark A/S for the financial year as of the establishment of the Company 16 June - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year as of the establishment of the Company 16 June - 31 December 2023.

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.

Risskov, 28 June 2024
Executive Board:

Ole Sanggaard Knudsen
CEO

Board of supervisors:

Niels Bastian Braams Chair	Kim André Brøndum	Bengt Robert Vikman

Independent auditor's report

To the shareholders of Würth Elektronik Danmark A/S

Opinion

We have audited the financial statements of Würth Elektronik Danmark A/S for the financial year as of the establishment of the Company 16 June - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year as of the establishment of the company 16 June - 31 December 2023 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' 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.

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.
- 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.

Independent auditor's report

- 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.

Vejle, 28 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lene Jørgensen

Lene Kamper Jørgensen
State Authorised Public Accountant
mne34456

Management's review

Company details

Name	Würth Elektronik Danmark A/S
Address, Postal code, City	Agro Food Park 26, 1., 8200 Aarhus N
CVR no.	44 12 98 41
Established	16 June 2023
Registered office	Aarhus
Financial year	16 June - 31 December 2023
Board of supervisors	Niels Bastian Braams, Chair
	Kim André Brøndum
	Bengt Robert Vikman
Executive Board	Ole Sanggaard Knudsen, CEO
Auditors	EY Godkendt Revisionspartnerselskab
	Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Business review

The purpose of the company is to procure, sell and distribute electronic components aswell as other related activities.

Financial review

The income statement for 2023 shows a loss of DKK 3,318,498, and the balance sheet at 31 December 2023 shows equity of DKK 4,181,502.
Management considers the Company's financial performance in the year unsatisfactory. Management also highlights that this is the first financial year for the company and that the company is in the middle of a growth process.

Events after the balance sheet date

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

Financial statements for the period 16 June - 31 December 2023

Income statement

Note	DKK	2023 7 months
	Gross profit/loss	-500,386
2	Staff costs	-2,389,473
3	Depreciation of property, plant and equipment	-226,563
	Other operating expenses	-44,625
	Profit/loss before net financials	-3,161,047
4	Financial income	79,280
5	Financial expenses	-236,731
	Profit/loss for the year	-3,318,498

Recommended appropriation of profit/loss	
Retained earnings/accumulated loss	-3,318,498
	-3,318,498

Financial statements for the period 16 June - 31 December 2023

Balance sheet

Note	DKK	2023
	ASSETS	
	Fixed assets	
6	**Property, plant and equipment**	
	Land and buildings	1,536,789
	Fixtures and fittings, other plant and equipment	2,484,939
		4,021,728
	Total fixed assets	4,021,728
	Non-fixed assets	
	Receivables	
	Trade receivables	1,580,241
	Receivables from group enterprises	115,378
	Other receivables	200,200
		1,895,819
	Cash	3,265,328
	Total non-fixed assets	5,161,147
	TOTAL ASSETS	9,182,875

Financial statements for the period 16 June - 31 December 2023

Balance sheet

Note	DKK	2023
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	1,000,000
	Share premium account	0
	Retained earnings	3,181,502
	Total equity	4,181,502
	Liabilities other than provisions	
7	**Non-current liabilities other than provisions**	
	Lease liabilities	2,246,292
		2,246,292
	Current liabilities other than provisions	
7	Short-term part of long-term liabilities other than provisions	656,851
	Trade payables	206,301
	Payables to group enterprises	395,321
	Other payables	1,496,608
		2,755,081
	Total liabilities other than provisions	5,001,373
	TOTAL EQUITY AND LIABILITIES	9,182,875

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Financial statements for the period 16 June - 31 December 2023

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Cash payments concerning formation of enterprise	1,000,000	6,500,000	0	7,500,000
Transfer through appropriation of loss	0	0	-3,318,498	-3,318,498
Transferred from share premium account	0	-6,500,000	6,500,000	0
Equity at 31 December 2023	1,000,000	0	3,181,502	4,181,502

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

1 **Accounting policies**

The annual report of Würth Elektronik Danmark A/S for 2023 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.

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 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. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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/loss

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

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

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.

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

1 Accounting policies (continued)

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:

Buildings	5 years
Fixtures and fittings, other plant and equipment	3-5 years

Land is not depreciated.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

1 Accounting policies (continued)

A lease asset and lease liability are recognized in the balance sheet when the asset, in accordance with a leasing agreement relating to a specific identifiable asset, is made available and when the company becomes entitled to substantially all of the financial benefits from its use and the right to decide on the use of the identified asset.
Lease liabilities are measured on initial recognition at the present value of the future lease payments discounted with an alternative loan rate. The following lease payments are recognized as part of the lease liability:
- Fixed payments.
- Variable payments, which change in line with changes in an index or an interest rate, based on the index or interest rate in question.
- Payments due under a residual value guarantee.
- The exercise price for purchase options, which management expects with a high probability to exercise.
- Payments covered by an extension option, which management with high probability expect to exercise.
- Penalty related to a termination option, unless management with high probability expect not to exercise the option.

The lease liability is measured at amortized cost under the effective interest method.The leasing obligation is recalculated when there are changes in the underlying contractual cash flows from changes in an index or an interest rate, if there are changes in the company's estimate of a residual value guarantee, or if the group changes its assessment of whether a purchase, extension or termination option is reasonably likely to be exercised.

The lease asset is measured upon initial recognition at cost price, which corresponds to the value of the lease obligation adjusted for prepaid lease payments with the addition of directly related costs and estimated costs for demolition, renovation etc. Any received discounts or other types of incentive payments from the lessor are also deducted.

Subsequently, the asset is measured at cost less accumulated depreciation and write-downs. The lease asset is depreciated over the shorter of the leasing period and the useful life of the leasing asset. Depreciation is recognized straight-line in the income statement.

The leasing asset is adjusted for changes in the leasing obligation as a result of changes in the terms of the leasing agreement or changes in the contract's cash flows in line with changes in an index or a interest.

The leased assets are depreciated on a straight-line basis over the expected lease period, which for buildings is 5 years and for other operating assets amount to 1 to 5 years.

The company presents the leasing asset and leasing liability separately in the balance sheet. The group has chosen not to recognize leasing assets with low value and short-term leasing agreements in the balance sheet.

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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.

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.

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for 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.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

	DKK	2023 7 months
2	**Staff costs**	
	Wages/salaries	2,119,801
	Pensions	238,377
	Other staff costs	31,295
		2,389,473
	Average number of full-time employees	10
3	**Depreciation of property, plant and equipment**	
	Depreciation of property, plant and equipment	226,563
		226,563

Depreciation on leased assets constitute 181,495 kr.

4	**Financial income**	
	Interest receivable, group entities	70,073
	Other financial income	9,207
		79,280
5	**Financial expenses**	
	Interest expenses, group entities	13,288
	Other financial expenses	223,443
		236,731

Financial statements for the period 16 June - 31 December 2023

Notes to the financial statements

6 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Additions	1,617,673	2,630,618	4,248,291
Cost at 31 December 2023	1,617,673	2,630,618	4,248,291
Depreciation	80,884	145,679	226,563
Impairment losses and depreciation at 31 December 2023	80,884	145,679	226,563
Carrying amount at 31 December 2023	1,536,789	2,484,939	4,021,728
Property, plant and equipment include finance leases with a carrying amount totalling	1,536,789	1,509,165	3,045,954

7 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	2,903,143	656,851	2,246,292	0
	2,903,143	656,851	2,246,292	0

8 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its affiliate, Würth Leasing Danmark A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2023 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 16.06.2023.

Other financial obligations

The company has no rent and lease agreements not capitalized in accordance with IFRS16.

9 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

10 Related parties

Information about consolidated financial statements

Parent	Domicile
Würth Promotion Ges.m.b.H. (Würth Group)	Austria