

**Molex B.V.**

**Eindhoven, The Netherlands**

**Financial Statements 2022**

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Total number of pages in this report: 30

## **MANAGEMENT BOARD REPORT**

### **Management board report Molex B.V. 2022**

#### **General information**

The company, having its legal seat in Eindhoven, the Netherlands, is primarily engaged as a sales support service for the products in the market for interconnection devices in Europe As per 17<sup>th</sup> August 2022 the Company is 100% owned subsidiary by Molex Foreign Investments I S.à r.l. legally seated in Bertange, Luxemburg. Ultimately, the Company is a wholly owned subsidiary of Koch Industries Inc. registered in Wichita, USA.

Molex B.V. is a group of European sales branches. The goal of this group is to promote products of Molex to customers and find new customers in the whole of Europe. Our mission is to be the preferred supplier of interconnection systems to the global electronics industry and grow market share through superior people, performance and innovation The company has branch offices in the following countries:

- Turkey
- Austria
- France
- Switzerland
- Italy
- United Kingdom
- Czech Republic
- Sweden
- Spain
- Russia
- Finland
- Israel
- Denmark

The branches are divided into three regions Northern Europe, Central Europe and Southern Europe. The total average number of personnel in these sales branches increased to 128 in 2022 (120 in 2021).

Molex B.V. has 50% women vs. 50% men in the management board. Molex B.V. always attempts to have a balance between male and female. In the current situation, the qualifications of the candidates turned out that men and women have been appointed equally.

### **Financial information**

Revenues for Molex BV are mainly generated by recharges to other Molex entities based on a cost-plus. The sales force of Molex BV contacts (potential) customers to see if there is a possibility to promote Molex products. In case the customer then places an order, this order is placed with Molex Interconnect GmbH and this entity bills the end customer for products sold. As a result, Molex BV does not report any third-party sales. In 2022 the revenue was bigger (€ 19,522) than in 2021 (€ 18,671). The profit before tax for fiscal year 2022 of Molex BV is € 1,916 vs € 1,602 for 2021. The result after tax for fiscal year 2022 of Molex BV is € 1,221 (profit) vs € 445 for 2021 (profit).

Molex B.V.'s solvability ratio is 37 % in 2022 (in 2021 was 33%). Working capital increased from € 5,113 at the end of 2021 to € 6,093 at 2022 end. The quick ratio increased from 1.62 in 2021 to 1.70 at the end of 2022.

Cash is mainly driven by intercompany transactions. Commissions are agreed for the long term based on cost-plus contract. There is basically no risk with respect to cashflow or liquidity. Molex BV does not engage with advanced finance activities. Intercompany recharges are settled by the intercompany partners on short notice through bank payments. Cash 2022 is bigger than in 2021.

### **Restatement of prior year figures**

During preparations of Molex BV Financial Statement for 2022 there was noted a material error in the opening balances of 2021 which resulted in its correction. The error was related to prior year taxes posted in 2022 in accounting books of the French branch. Those postings were the outcome of the tax audit which took place in France in 2022.

## **Significant risks and uncertainties**

Accordingly to Transfer Pricing the sale branches recharge their expenses to Molex Interconnect GmbH what leads to a non-material risk for Molex BV. The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk which are summarized below.

### **Interest risk**

The Company has only intercompany loans and does not use hedging instruments to hedge interest rate-risk. Management considers that they will be able to renegotiate the Company's loan portfolio within an acceptable timescale to minimize the impact of any significant change in interest rates.

### **Credit risk**

Exposure to credit risk refers entirely to commercial credit to third parties. The Company is not exposed to any credit risk based on the Company's risk portfolio within the Company and in accordance with the transfer pricing policy of the Company.

### **Liquidity risk**

The sales branches recharge their expenses to the company Molex Interconnect GmbH and charge a commission for the added value of generating sales and for the acquisition of new customers, according to the so-called cost-plus method. Given this structure the business risks for the company are very limited and restricted to FX-results of the foreign branches. Our risk appetite is low. There is no significant external financing which leads to low business risk.

As a result of the recharging of expenses plus commission to Molex Interconnect GmbH, there are no problems with financing and other risks. The target for the sales branches is to keep their expenses at or under the budgeted level with an emphasis on efficiently running the individual branches. This is the responsibility of the regional manager.

Given the structure of sales branches in different countries, compliance with local law and regulations is a considered a risk. To mitigate the overall risk the Company has introduced the internal processes, policies and procedures helping to identify and control the potential risk and moreover created an intergroup specialized unit to control the business. Most of the branches have

contracted local external providers specialized in local regulations and law to run the accountancy and taxes.

### **Financial instruments**

Molex BV does not use financial instruments to hedge foreign currency risks.

### **Research and development**

No Research & Development activities take place in the branches.

### **Future developments**

In February 2022, Russia launched a military action against Ukraine. The impact to the Company's businesses of the ongoing military conflict and the economic sanctions imposed by the EU, US, UK and other countries due to the conflict is limited, as Molex BV is a low-risk company and its revenue is based on the intercompany sale and markup.

For the upcoming year the company will continue to monitor the macroeconomic environment to be able to take action on changes if impacting its business.

For 2023 the company doesn't intend to make new investments nor use external financing. The employment level is planned to stay at the similar level as in 2022.

### **Look back at the future development of prior year**

The company disclosed that it was monitoring the situation related to Covid-19 and reacted if necessary. All of those actions has been taken as stated, and there were no Covid-19 negative consequences over Molex business.

### **Subsequent Event**

As the result of Russian military action against Ukraine the Company decided to close the branch in Russia. The process of liquidation will be completed in 2023.

Moreover, company is planning to close two more branches in 2023 – in Denmark and Switzerland due to limited activity and lack of employees.

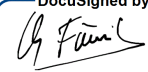
## **Culture and behavior**

The Company applies Principle Based Management® (PBM®), in accordance with the expectations of the Company's ultimate parent undertaking, Koch Industries Incorporated, a company incorporated in the United States of America. PBM® is a management philosophy that enables organizations to succeed long-term by applying the principles that allow free societies to prosper. History demonstrates that peaceful and prosperous societies tend to practice certain common principles, such as guaranteeing free speech, protecting private property rights, and ensuring that the inherent dignity and rights of all are equally protected. The Company found that these principles can be analogously applied within organizations to help employees fulfil their potential, and in doing so help the organization grow and succeed as it creates value for others.

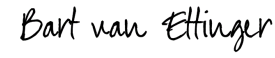
Eindhoven, 30 June 2023

Statutory directors,

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**Balance sheet as at 31 December 2022**

(after appropriation of result)

		<b>31-Dec-22</b>	<b>31-Dec-21 Restated</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets	[1]	73	123
Financial fixed assets	[2]	0	367
Total of non-current assets		73	490
<b>Current assets</b>			
Receivables, prepayments and accrued income	[3]	3,623	4,209
Cash and cash equivalents	[4]	11,133	9,193
Total of current assets		14,756	13,402
<b>Total of assets</b>		<b>14,829</b>	<b>13,892</b>
<b>Equity and liabilities</b>			
<b>Shareholder's Equity</b>			
Share capital	[5]	54	54
Share premium	[6]	162	527
Undistributed profit	[7]	3,976	3,531
Result after taxes for the year	[8]	1,221	445
Total of equity		5,413	4,557
Non-current liabilities	[9]	753	1,046
Current liabilities	[10]	8,663	8,289
<b>Total of equity and liabilities</b>		<b>14,829</b>	<b>13,892</b>



**Profit & Loss account for the year 2022**

		<b>2022</b>	<b>2021</b>
<b>Revenue</b>	[11]	<b>19,522</b>	<b>18,671</b>
Employee expenses	[12]	-14,186	-14,179
Depreciation		-46	-58
Other operating income (expenses)		-3,088	-2,632
<b>Sum of expenses</b>		<b>-17,320</b>	<b>-16,869</b>
<b>Operating result</b>		<b>2,202</b>	<b>1,802</b>
Financial income (expenses)	[13]	-286	-200
<b>Result before tax</b>		<b>1,916</b>	<b>1,602</b>
Income tax expense	[14]	-695	-1,157
<b>Result after tax</b>		<b>1,221</b>	<b>445</b>

## **Notes to the statements**

### **General notes**

#### **Description of the most important activities of the entity**

##### **Registered office and registration number at the Chamber of Commerce**

Molex B.V. (hereafter referred to as the Company), has its legal seat and registered address at Parmentierweg 6 in Eindhoven, the Netherlands, The Company is K.V.K. under number 17081956.

##### **Activities**

The company is primarily engaged in providing sales support to affiliated companies in the market for interconnect devices in Europe.

The activities of the company are to provide sales support services for the products in the retail/wholesale market for interconnection electronic devices in Europe.

For all branches recharge their operating costs increased with the corresponding mark-up percentage through to Molex Interconnect GmbH (cost-plus approach). Italy and France additionally calculate their revenue as a certain percentage of Molex Interconnect GmbH sale in each of those two markets.

##### **Group Structure**

As per 17<sup>th</sup> August 2022 the Company is 100% owned subsidiary by Molex Foreign Investments I S.à r.l. legally seated in Bertange, Luxemburg. On December 9, 2013 Molex was acquired by Koch Industries Inc. The Company is ultimately a wholly owned subsidiary of Koch Industries Inc., registered in Wichita, United States of America, from where its consolidated financial statements can be requested.

The financial statements of the Company are presented in thousand Euros.

### **Related party transactions**

Resulting from the mark-up Molex group structure, costs incurred by the Company are charged back including a charge to the affiliate Molex Interconnect GmbH in accordance with the contractual agreements in place. Besides these related party transactions, the Company has some intercompany loans receivable as well as payable due to the group financing structure. Related party transactions have been recorded at an arm's length basis and no transactions outside the normal course of business have occurred.

## **General accounting principles**

### **Description of the accounting standards used to prepare the financial statements**

The financial statements have been drafted on 30 June 2023 and prepared in accordance with generally accepted accounting principles in the Netherlands and comply with the reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The accounting principles are applied consistently throughout the year and the preceding year. The reporting year starts 1 January 2022 and ends 31 December 2022.

Assets and liabilities are stated at face value unless indicated otherwise.

Assets and liabilities are only offset in the financial statements if and to the extent that:

- Enforceable legal rights exist to offset the assets and liabilities and settle them simultaneously.
- The positive intention is to settle the assets and liabilities on a net basis or simultaneously if deemed necessary, the comparative figures have been reclassified to comply with the current year presentation.

There is no statement of comprehensive income included because all results are included in the profit and loss account and there are no direct equity movements except for capital contribution.

All amounts in this financial statement (either in tables or text) are in € 000, unless stated otherwise.

### **Comparative figures**

The figures of the preceding year are changed for the comparison purposes.

## **Reporting period 2022**

### **Estimates**

In applying the principles and policies for drawing up the financial statements, the directors of Molex B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item recognized in the

period in which the estimate is revised and in future periods for which the revision has consequences.

### **Operational leasing**

The Company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the Company. The lease contracts are recognized as operational leasing. Lease payments are recorded on a straight-line basis, considering reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

### **Translation of foreign currencies**

The Company's functional currency is Euro. Transactions arising in foreign currencies are translated into euro at the exchange rate prevailing at the date of the transaction. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the year-end rates of exchange. The resulting net translation gains or losses are included in the statement of income under exchange rate results.

### **Prior period errors**

During preparations of Molex BV Financial Statement for 2022 there was noted a material error in the opening balances of 2021 which resulted in its correction. The error was related to prior year taxes posted in 2022 in accounting books of the French branch. Those postings were the outcome of the tax audit which took place in France in 2022.

## **Principles of valuation of assets and liabilities**

### **Policy of tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and, if applicable, less impairments. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, considering any residual value. Depreciation is recognized from the date an asset comes into use. Land, assets under construction and prepayments on tangible fixed assets are not depreciated.

### **Policy of financial fixed assets**

Participations are valued at cost or lower market value.

### **Policy of impairment of assets**

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the realizable value and the value in use. An impairment loss is directly recognized in the income statement while the carrying amount of the asset concerned is concurrently reduced.

### **Policy of receivables, prepayments and accrued income**

Receivables and prepaid expenses are recognized initially at fair value plus transaction costs. After initial measurement, receivables and prepaid expenses receivables are subsequently measured at amortized cost less allowance for possible non-collectible accounts.

Other assets are recognized initially at fair value plus transaction costs. After initial measurement, such assets and liabilities are subsequently measured at amortized cost.

A deferred tax asset is recognized for temporary differences in the valuation of assets/liabilities, to the extent that it is probable that future taxable profit will be available for set-off. Taxes are

calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses. The nominal tax rate is 25.8%.

### **Accounting policy for cash and cash equivalents**

Cash is valued nominal value and its maturity is less than 1 year. Cash balance have been translated by year end exchange.

### **Policy of non-current liabilities**

The Company has pension plans for its employees in all countries in which branches are established. Based on the pension agreements, all these pension plans qualify as defined contribution plans and have been accounted for in accordance with Dutch GAAP where pension premium costs are recorded as expenses and/or accrued liabilities at nominal amounts.

The pension plan in Italy is classified as a defined contribution plan. Contribution payables are recognized as an expense in the profit and loss account.

In Italy, contributions payable are recognized under accruals (long term). The new employees join the company can decide, within 6 months from hiring to keep the accrual at the Company or not. This rule is only valid for companies with less than 50 employees. The company has only an obligation to pay the employee the accrued contributions.

### **Policy of current liabilities**

Other payables are recognized initially at fair value plus transaction costs. After initial measurement, such assets and liabilities are subsequently measured at amortized cost.

## **Accounting principles for determining the result**

Revenue is generated through transactions with affiliated Molex companies. These transactions are based on contractual arrangements, providing the company with refunds for costs incurred, including a mark-up of 5% or 7% (Dutch operations only). If the result of the transaction relating to a service can be reliably estimated and it is probable that the income will be received, the income relating to that service is recognized in proportion to the service delivered. Expenses are determined with due observance of the accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

### **Employee expenses**

Employee costs (wages, salaries, social security contributions, etc.) are presented as a separate item in the income statement. Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

The Company has defined contribution pension plans covering substantially all employees. Contributions payable to the pension plan administrator are recognized as an expense in the profit and loss account.

### **Depreciation**

Amortization costs are presented as a separate item in the income statement. For a specification, reference is made to the relevant note.

### **Taxation**

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.



## **Cash flow statement**

The company uses the exemption according to RJ 360.104 for the reporting of a cash flow statement. For the consolidated cash flow statement from Molex Electronic Technologies LLC registered in Delaware , USA is being referred to the consolidated annual report. The consolidated annual report can be obtained at the registered office of Molex Electronic Technologies LLC in their registered office in Delaware, USA.

## **Other notes**

### **Financial instruments**

Under financial instruments the monetary assets and liabilities, such as receivables and liabilities, and the financial derivatives are included. For a description of the accounting principles of the monetary assets and liabilities, reference is made to the notes per balance sheet item. Financial derivatives are initially recognised at fair value on the date on which a financial contract is entered into and are subsequently remeasured at fair value at each balance sheet date. Financial derivatives that do not have a quoted market price in an active market are valued at cost or lower fair value. Any gains or losses arising from changes in fair value on financial instruments that do not qualify for hedge accounting are taken directly to the profit & loss account. The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

## Notes to the balance sheet as at 31 December 2022

### [1] Tangible fixed assets

	Other tangible assets	Property, plant and equipment
<b>Book value as at 1 January 2022</b>		
Acquisition cost	1,505	1,505
Accumulated depreciation	-1,382	-1,382
Tangible fixed assets at the beginning of the period	<b>123</b>	<b>123</b>
<b>Changes</b>		
Investments	-4	-4
Depreciation	-46	-46
Total changes during the period	<b>-50</b>	<b>-50</b>
<b>Book value as at 31 December 2022</b>		
Acquisition cost	1,505	1,505
Accumulated depreciation	-1,432	-1,432
Carrying amount as of 31 December 2022	<b>73</b>	<b>73</b>
Depreciation percentage	<b>10%</b>	<b>10%</b>

### [2] Financial fixed assets

Effective 2 March 2022 Molex B.V, distributed its entire membership interest in the below mentioned group companies to other Molex entity.

<b><u>Molex CVS SRL (Laird Aegis Soft SRL)</u></b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Location of the legal entity		
Book value at the beginning of the period	354	354
Disposals	-354	0
Book value at the end of the period	<b>0</b>	<b>354</b>

<b><u>Molex Hungary Kft</u></b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Location of the legal entity		
Book value at the beginning of the period	10	10
Disposals	-10	0
Book value at the end of the period	<b>0</b>	<b>10</b>

<b><u>Molex SSO Romania SRL</u></b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Location of the legal entity		
Book value at the beginning of the period	3	3
Disposals	-3	0
Book value at the end of the period	<b>0</b>	<b>3</b>
<b>Total financial assets</b>	<b>0</b>	<b>367</b>

### **[3] Receivables, prepayments and accrued income**

	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Receivables from group companies	3,171	3,166
Taxes and social securities	224	707
Prepayment and accrued income	228	336
<b>Total of receivables, prepayments and accrued income</b>	<b>3,623</b>	<b>4,209</b>

All receivables are receivable within one year.

**Taxes and social securities**

	<b>31-Dec-22</b>	<b>31-Dec-21</b>
VAT Receivables	126	590
Deferred tax assets	98	117
<b>Total of taxes and social securities</b>	<b>224</b>	<b>707</b>

**[4] Cash and cash equivalents**

	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Cash and cash equivalents		
Credit balances on bank accounts	11,133	9,193

The cash is at free disposal.

**Equity**

	<b>31-Dec-22</b>	<b>31-Dec-21</b> <b>Restated</b>
<b>Balance as at 1 January</b>	<b>4,557</b>	<b>4,112</b>
Share premium decrease	-365	0
Net profit (loss) for the year	1,221	445
<b>Balance as at 31 December</b>	<b>5,413</b>	<b>4,557</b>

**[5] Share capital**

<b>Balance as per 1 January</b>	<b>54</b>	<b>54</b>
Recalculated balance at the beginning of the period	54	54
<b>Balance as at 31 December</b>	<b>54</b>	<b>54</b>

**[6] Share premium**

<b>Balance as at 1 January</b>	<b>527</b>	<b>527</b>
Recalculated balance at the beginning of the period	527	527
Decrease additional paid in capital	-365	0
<b>Balance as at 31 December</b>	<b>162</b>	<b>527</b>

**[7] Undistributed profit**

<b>Balance as at 1 January</b>	<b>3,531</b>	<b>2,221</b>
<i>Balance at the beginning of the period - restatement</i>	<b>0</b>	<b>-248</b>
Recalculated balance at the beginning of the period	3,531	1,973
Appropriation of net income	445	1,558
<b>Balance as at 31 December</b>	<b>3,976</b>	<b>3,531</b>

**[8] Result after taxes for the year**

<b>Balance as at 1 January</b>	<b>445</b>	<b>1,558</b>
Recalculated balance at the beginning of the period	445	-1,558
Appropriation of net income	-445	1,558
Result for the year	1,221	445
<b>Balance as at 31 December</b>	<b>1,221</b>	<b>445</b>

**Disclosure of share capital**

Shares issued were fully paid in cash. The issued share capital at December 31, 2022 comprised 6,000 common shares (2021: 6,000 shares) of €0.045 each, all of which are issued and 1,200 are fully paid.

**Appropriation of the 2022 result and proposal for profit appropriation**

The statutory directors propose that the 2022 net result will be added to the retained earnings. This proposal is not yet reflected in these financial statements.

**[9] Non-current liabilities**

	<b>31-Dec-22</b>	<b>31-Dec-21 Restated</b>
Non-current liabilities		
Pension related payables	478	677
Accruals	275	369
<b>Total non-current liabilities</b>	<b>753</b>	<b>1,046</b>

	Pension related payables	Accruals	Non-current liabilities
Pension related payables			
Non-current liabilities as at 1 January 2022	677	369	1,046
<b>Movement of non-current liabilities during the period</b>	<b>-199</b>	<b>-94</b>	<b>-293</b>
Total of usage during the period			
Total of release during the period	-199		
Total of decrease during the period		-94	
Non-current liabilities as at 31 December 2022	<b>478</b>	<b>275</b>	<b>753</b>

Non-current liabilities with a maturity exceeding one year within five years sum up to € 753.

Non-current liabilities with a maturity exceeding five years sum € 478.

**Disclosure of pension related payables**

The long-term liability relates to the pension in Italy in 2022 € 478 (2021: € 677). The employee can decide, within 6 months from hiring to keep the accrual at the Company or not. This rule is only valid for companies with less than 50 employees.

**Disclosure of other non-current liabilities**

The long-term liability includes the Performance Unit Program which is € 275 for 2022 (2021: € 369).

**[10] Current liabilities**

	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-21 Restatement</b>	<b>31-Dec-21 Restated</b>
Trade payables	239	162		162
Payables to group companies	4,798	5,037		5,037
Payables relating to taxes and social security contributions	1,903	1,574	422	1,996
Accruals and deferred income	1,723	1,094		1,094
<b>Total of current liabilities</b>	<b>8,663</b>	<b>7,867</b>		<b>8,289</b>

**Disclosure of current liabilities**

Debt to group companies include a loan from an affiliated company with Molex Electronics Ltd UK of initially GBP 6,500 (on 31 December 2022 GBP 4,224) The interest percentage is LIBOR +1%. This debt is immediately payable upon request. All current liabilities are due within one year.



## Off-balance sheet commitments

### Disclosure of off-balance sheet commitments

The Company belongs to a notional European cash pool, which permits a €20 million negative cash balance. Molex B.V. is liable for the negative cash balances. As per December 31, 2022 the balance of the cash pool is negative € 5 (negative 2021: € 4).

### Disclosure of operating leases

Total commitments in connection with rental obligations and operational lease agreements amount to € 1,554 (including buildings rental € 684 and cars rental € 870). The portion of these commitments payable within one-year amounts to € 742 (€ 347 related to buildings rental and € 395 related to cars rental). The portion payable between one and five years amounts to € 812 (€ 337 related to buildings rental and € 475 to cars rental). The portion that is due after five years is nil.

<b>Minimal lease payments of operating leases</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Minimal lease payments of operational leases with a maturity within one year	742	796
Minimal lease payments of operating leases with a maturity exceeding one year and within five years	812	1,099
Total of minimal lease payments of operating leases	<b>1,554</b>	<b>1,895</b>

## Notes to Profit and Loss account for the year 2022

### [11] Revenue

	2022	2021
Revenue	19,522	18,571
<b>Total of revenue</b>	<b>19,522</b>	<b>18,671</b>

The revenue has increased about 5% in 2022 comparing to 2021.

### [12] Employee expenses

	2022	2021
Wages and salaries	10,549	10,327
Social security contributions	2,085	2,316
Pension premiums	1,327	1,493
Other employee expenses	225	43
<b>Total of employee expenses</b>	<b>14,186</b>	<b>14,179</b>

Remuneration (including pension costs) of current and former statutory directors amounts to nil for the year ended December 31, 2022 (2021: nil).

### Average number of FTE

	2022	2021
<b>Average number of FTE over the period</b>		
Average number of FTE over the period working in the Netherlands	3	2
Average number of FTE over the period working outside the Netherlands	125	118
<b>Total of average number of FTE over the period</b>	<b>128</b>	<b>120</b>

**Current**

Total of average number of FTE over the period

Administration	18
R&D	7
Sales & Marketing	103

**Previous**

Total of average number of FTE over the period

Administration	17
R&D	7
Sales & Marketing	96

**[13] Financial income and expense**

	<b>2022</b>	<b>2021</b>
Interest (income) and expenses	-214	-61
Foreign currency exchange differences	211	-139
Other financial (income) and expense	-283	0
<b>Total of financial income and expenses</b>	<b>-286</b>	<b>-200</b>

**[14] Income tax expense**

	<b>2022</b>	<b>2021</b> <b>Restated</b>
Income tax expense from current financial year	695	1,157
<b>Total of income tax expense</b>	<b>695</b>	<b>1,157</b>

The nominal tax rate structure is as follows: 15% for the first 395 in 2022 (above that it is 25.8%). In 2021 it was 15% for the first 200 (above that it was 25%). The effective tax rate is 36% for 2022 and 72% in 2021 which is related to a different CIT rates in different jurisdictions and the fact that in French branch in 2021 where posted amounts related to tax audit of prior year.

**Other notes to the income statement**

Resulting from the mark-up Molex group structure, costs incurred by the Company are charged back including a charge to the affiliate Molex Interconnect GmbH in accordance with the contractual agreements in place. Besides these related party transactions, the Company has some intercompany loans receivable as well as payable due to the group financing structure. Related party transactions have been recorded at an arm's length basis and no transactions outside the normal course of business have occurred.

**Related party transactions**

Resulting from the mark-up Molex group structure costs incurred by the Company are charged back including a charge to the affiliate Molex Interconnect GmbH in accordance with the contractual agreements in place. Besides these related party transactions, the Company has some intercompany loans receivable as well as payable due to the group financing structure. Related party transactions have been recorded at an arm's length basis and no transactions outside the normal course of business have occurred.

**Subsequent events**

As the result of Russian military action against Ukraine the Company decided to close the branch in Russia. The process of liquidation will be completed in 2023.

Moreover, company is planning to close two more branches in 2023 – in Denmark and Switzerland due to limited activity and lack of employees.

**Signing of the financial statements**B. van Ettinger

Type of director

Current managing director

Location of signing by managing and supervisory directors

Eindhoven

Date of signing by managing and supervisory directors

30-June-23

Signed by director (Y/N)

Yes

H.A.P. Fuerniss

Type of director

Current managing director

Location of signing by managing and supervisory directors

Eindhoven

Date of signing by managing and supervisory directors

30-June-23

Signed by director (Y/N)

Yes

N.R.M. Heylen

Type of director

Current managing director

Location of signing by managing and supervisory directors

Eindhoven

Date of signing by managing and supervisory directors

30-June-23

Signed by director (Y/N)

Yes

S.C.H.M. Martens

Type of director

Current managing director

Location of signing by managing and supervisory directors

Eindhoven

Date of signing by managing and supervisory directors

30-June-23

Signed by director (Y/N)

Yes

## OTHER INFORMATION

### **Provisions of the Articles of Association regarding profit appropriation**

According to Article 19 of the Company's articles of association, the annual meeting determines the appropriation of the Company's net income for the year.

### **Branch offices**

Per December 31, 2022, the Company had branch offices in the following countries:

- Austria
- Czech Republic
- Finland
- France
- Israel
- Italy
- Russia
- Spain
- Sweden
- Turkey
- United Kingdom
- Switzerland
- Denmark



To: the general meeting of Molex B.V.

Grant Thornton  
Accountants en Adviseurs B.V.  
Flemingweg 10  
P.O. Box 2259  
2400 CG Alphen aan den Rijn  
The Netherlands  
T 088 - 676 90 00  
F 088 - 676 90 10  
www.gt.nl

## INDEPENDENT AUDITOR'S REPORT

### A. Report on the Audit of the Financial Statements

#### Our opinion

We have audited the financial statements 2022 of Molex B.V., based in Eindhoven.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Molex B.V. as at December 31, 2022 and of its result for year 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at December 31, 2022.
2. The profit and loss account for the year 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Molex B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and not as separate opinions or conclusions on these matters.



## Audit approach fraud risks

For the board's responsibilities regarding fraud, we refer to the following paragraph in the section 'responsibilities of management for the financial statements':

*Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.*

In accordance with the objective in the Dutch Standards of Auditing, we have identified and assessed the risks at the level of the financial statements and assertions for material misstatement due to fraud. In doing so, we paid attention to the possibility of fraudulent financial reporting, the withdrawal of funds (assets) from the company and the possibility of bribery and corruption.

We obtained an understanding of the entity and its environment, and components of the internal control environment.

In the table below we describe the main fraud risks that required our (significant) attention and the related work performed by us.:

Fraud risk identified	Audit work performed
Risk of management override of controls	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Journal entry testing where we made a selection of journal entries based on our risk assessment;</li> <li>- Reviewed accounting estimates for biases that could result in material misstatement due to fraud;</li> <li>- Reviewed management's process for estimates, including an assessment of whether the method(s) and assumptions chosen are appropriate.</li> </ul>
Risk of overstatement of employee and operating expenses	<p>We have evaluated the design and implementation of the internal control environment that reduces the risk of overstated employee and operating expenses.</p> <p>We have performed the following substantive procedures:</p> <ul style="list-style-type: none"> <li>- Substantive analytical review of the employee expenses including reconciliation of the payroll accounting system to the financial accounting system;</li> <li>- Test of details on the employee expenses by performing joiner and leaver tests;</li> <li>- Test of details on employee expenses which are posted outside the payroll accounting system;</li> <li>- Statistical sample on the operating expenses including reconciliation to the purchase invoices and bank statements in which we determined whether the expense occurred and is posted to the correct expense account.</li> </ul>

We incorporated an element of unpredictability in our audit.





## Audit approach going concern

The financial statements have been prepared in accordance with the going concern assumption. The appropriateness of this assumption depends on management's estimate of future cash flows.

The management has drawn up the financial statements based on the going concern assumption of all the activities for the period of at least twelve months after adopting of the annual accounts. Our work to evaluate the management's going concern assessment includes:

- consider whether management's going concern assessment contains all relevant information of which we have knowledge as a result of our audit of Molex B.V. and make inquiries with management about the most important assumptions and considerations;
- verify that management has not identified any events or circumstances that may cast reasonable doubt on the entity's ability to continue as a going concern;
- inquiry with management about its knowledge of going concern risks after the period of the going concern assessment carried out by management;
- inquiry with management regarding the sustainability of the business model;
- analyse whether the current and the necessary financing for the continuation of the entire business activities is guaranteed.

Our audit procedures have not provided any information contrary to the assumptions and considerations of the board on the going concern assumption used. However, future events or conditions may cause an entity to cease to continue as a going concern.

## B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- the management board's report; and
- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.



## C. Description of responsibilities regarding the financial statements

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.



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- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 findings in internal control that we identify during our audit.

Rotterdam, 30 June 2023

Grant Thornton Accountants en Adviseurs B.V.

Digitally signed by A. Boer RA MSc