

**MOTOROLA SOLUTIONS  
DANMARK A/S  
Annual Report for the period  
01.01.2017 - 31.12.2017**

**Sydvestvej 15  
2600 Glostrup**

**CVR-No.: 10 29 08 13**

Approved on the companies ordinary shareholder meeting 24 May 2018

As chairman



---

Klavs Berthelsen

<b>CONTENTS</b>	<b>Page</b>
<b>Declarations</b>	3
Statement by the Board of Directors and the Executive Board	3
Independent auditor's report	4-6
<b>Management's review</b>	7
Company details	7
Financial highlights	8
Operating review	9-11
<b>Financial statements for the period 1 January - 31 December</b>	
Income statements	12
Balance sheet	13-14
Equity statement	15
Notes to the financial statements	16-24

## Declarations

### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Motorola Solutions Danmark A/S for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and of the results of the Company's operations and its financial position.

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

Glostrup, 24 May 2018

*Executive Board:*

\_\_\_\_\_  
Michael Kaae

*Board of Directors:*

\_\_\_\_\_  
Henrik Blume  
Chairman

\_\_\_\_\_  
Simon Smith

\_\_\_\_\_  
Michael Kaae

\_\_\_\_\_  
Brian Larsen  
Elected by the employees

\_\_\_\_\_  
Steen Petersen  
Elected by the employees

## **Independent auditors' report**

### **To the shareholders of Motorola Solutions Danmark A/S**

#### **Opinion**

We have audited the financial statements of Motorola Solutions Danmark A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

## **Independent auditors' report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

## Independent auditors' report

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, 24 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR: 25 57 81 98



Henrik Kyhnav

State Authorized Public Accountant

mne 40028

## **Management's review**

### **Company details**

Motorola Solutions Danmark A/S  
Sydvestvej 15  
2600 Glostrup

Telephone: 43 48 80 00  
Telefax/ Fax : 43 48 80 01

E-mail: recdk01@motorolasolutions.com  
CVR No.: 10 29 08 13  
Established: 1968  
Registered office: Glostrup  
Financial year: 01.01 - 31.12

#### ***Board of Directors***

Henrik Blume  
Simon Smith  
Michael Kaae  
Brian Larsen  
Steen Petersen

#### ***Executive Board***

Michael Kaae

#### ***Auditors***

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen

#### **Annual general meeting**

The annual general meeting is to be held on 24 May 2018.

## Management's review

### Financial highlights

DKKm	2017	2016	2015	2014	2013
<b>Principal figures</b>					
Revenue	142,6	136,8	182,2	235,4	243,9
Ordinary operating profit	6,7	7,0	8,7	25	7,3
Net from financial income and expenses	-1,4	0,9	2,2	-1,3	-1,3
<b>Profit for the year</b>	<b>4,1</b>	<b>6,1</b>	<b>8,3</b>	<b>20</b>	<b>8,8</b>
<b>Assets</b>					
Non-current assets	3,1	5,1	6,4	6,5	9,2
Current assets	64,6	74,5	95	142,7	121,9
<b>Total assets</b>	<b>67,7</b>	<b>79,6</b>	<b>101,5</b>	<b>149,2</b>	<b>131,1</b>
Share capital	10	10	10	10	10
<b>Equity</b>	<b>27,7</b>	<b>38,7</b>	<b>47,5</b>	<b>84,3</b>	<b>64,3</b>
Non-current liabilities other than provisions	0,1	0,1	0,1	4,2	2,2
Current liabilities other than provisions	39,8	40,8	53,9	60,2	64,7
<b>Financial Ratio</b>					
Operating margin	4,7	5,1	4,8	3,1	3
Return on invested capital	67	70	87	250	73
Gross margin	31,8	29,1	12,1	14,6	13,6
Current ratio	162,2	182,6	180,2	237	188,4
Solvency ratio	40,5	48,5	48,1	56,5	49
Return on equity	12,2	14,1	17,2	23,7	14,7
<b>Average number of employees</b>					
	<b>111</b>	<b>109</b>	<b>141</b>	<b>180</b>	<b>180</b>

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' Guideline's on the calculation of financial ratios "Recommendations and Financial Ratios 2017".

### Definitions

<i>Operating margin</i>	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
<i>Return on invested capital</i>	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
<i>Invested capital</i>	<i>Operating intangible assets and property, plant and equipment plus net working capital</i>
<i>Gross margin</i>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<i>Current ratio</i>	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
<i>Solvency ratio</i>	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
<i>Return on equity</i>	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$



## **Operating review**

Motorola Solutions Danmark A/S is a 100% owned subsidiary of Motorola Solutions Finance EMEA Ltd., Nova South, 160 Victoria Street, London SW1E 5LB, United Kingdom.

In accordance with the The Companies Statutory Act section 71, note that the company is included as part of the Annual Report for Motorola Solutions Inc.

### **Principal activities of the company**

Motorola Solutions Group's activities include the development and sale of customized communications solutions that support the customer and its users need for future-proof communication solutions for their business.

Motorola Solutions Danmark A/S activities relates to development, sale and maintenance of portable and mobile, stationary communications.

The company's sales and maintenance is primarily for public- and commercial customers.

Sales activities are undertaken from own departments in Denmark and from Danish and European distributors. Furthermore, Motorola Solutions Danmark A/S handles various services on behalf of other Motorola companies for which the company receives a fee.

In addition, the company works closely with the operator Dansk Beredskabskommunikation A/S a subsidiary of Motorola Solutions Inc.

### **Development in activities and financial position**

#### **Revenue**

The company turnover in 2017 amounted to 142,6 DKKm versus 136,8 DKKm in 2016. The increase in turnover of 5,8 DKKm, approx. 4%, refer to for Tetra products and development in the market.

#### **Result after tax**

2017 net profit of the year is a surplus of 4.1 DKKm versus 2016 surplus of 6,1 DKKm.

In 2017 the company has continued its focus on cost control. Further to the cost control initiatives the company expanded the sales and support and also added new Research and Development knowledge to the organization. The initiatives done is made for aligning the company to the future.

The 2017 result is affected by exchange losses of 1,4 mDKK.

Equity amounts to 27,7 DKKm after distribution of profit for the year.

## **Cash Flow**

The company's cash flow position is satisfactorily. The cash available by the end of 2017 amounted to 13,1 DKKm.

## **Significant events after the balance sheet date**

After the balance sheet date, no subsequent events, which have significant impact on the Company's financial position, have occurred.

## **Outlook 2018**

Management expectations for 2018 a turnover close to the 2017 level. The outlook is based on focusing on the company's core business.

The total cost is expected to decrease compared to 2017.

Overall, it is Management view that the company will reach a result in 2018 at the same level as 2017.

## **Risk factors**

### **Financial risk**

As part of the Motorola Solutions Inc. Group and their strong financial position and cash flow, the company is very limited exposed to changes in the interest level.

### **Credit risk**

The company has no significant risks towards individual customers or partners.

### **Environmental conditions**

The company's main activity is predominantly development of communication solutions based on the Tetra standard and sales, therefore the impact on the surrounding environment is minimal.

## **Knowledge Resources**

The company had an average of 111 employees in the company against 109 last year.

In 2017, Motorola Solutions Danmark A/S continued to pursue its comprehensive training program in order to maintain and enhance employees' personal and professional development. The program includes technical courses, management courses and courses in environment and safety.

This is essential for the company to continue to maintain and attract highly experienced people with expertise skills related to mobile communication.

To ensure a high and competence product quality the company is certified with ISO9001:2008 standard.

The use of ISO9001:2008 require a high level of competence and the company continues with additional investments with the aim of further increase of the competence level of the employees.

The development and knowledge increase to employees are done through the education program that is updated at a regular basis to ensure that the latest knowledge regarding Tetra technology is available.

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

<b>Income statement (TDKK)</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
Revenue	2	142.604	136.821
Production costs	3	<u>-97.225</u>	<u>-96.981</u>
<b>GROSS PROFIT</b>		<b>45.379</b>	<b>39.840</b>
Sales and distribution costs	3	-24.008	-18.030
Administrative expenses	3	<u>-14.630</u>	<u>-14.841</u>
<b>ORDINARY OPERATING PROFIT</b>		<b>6.741</b>	<b>6.969</b>
Financial income	4	0	1.204
Financial expenses	4	<u>-1.429</u>	<u>-339</u>
<b>Financial profit</b>		<b>-1.429</b>	<b>865</b>
<b>PROFIT BEFORE TAX</b>		<b>5.312</b>	<b>7.834</b>
Tax for the year	5	<u>-1.248</u>	<u>-1.772</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>4.064</u></b>	<b><u>6.062</u></b>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

<b>Balance sheet (TDKK)</b>		<b>2017</b>	<b>2016</b>
<b>ASSETS</b>	<b>Notes</b>		
<b>NON-CURRENT ASSETS</b>	<b>6</b>		
Leasehold improvements		24	594
Technical equipment		103	575
Assets under construction		45	0
		<u>172</u>	<u>1.169</u>
<b>Investments</b>			
Deposits		2.887	3.917
		<u>2.887</u>	<u>3.917</u>
<b>Total non-current assets</b>		<u><b>3.059</b></u>	<u><b>5.086</b></u>
<b>CURRENT ASSETS</b>			
Trade receivables		5.712	3.345
Receivables from affiliated companies		40.313	21.003
Income tax receivable		3.798	10.044
Deferred tax	<b>7</b>	1.629	1.865
Other receivables		0	306
Prepayments		54	29
		<u>51.506</u>	<u>36.593</u>
<b>Cash at bank and in hand</b>		<u>13.119</u>	<u>37.946</u>
<b>Total current assets</b>		<u><b>64.625</b></u>	<u><b>74.538</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>67.684</b></u></u>	<u><u><b>79.624</b></u></u>

**FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31  
DECEMBER**

<b>Balance sheet (TDKK)</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>Equity and liabilities</b>			
<b>EQUITY</b>			
Share capital		10.001	10.001
Proposed dividend		0	15.000
Retained earnings		17.713	13.649
<b>Total equity</b>		<u><b>27.714</b></u>	<u><b>38.650</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities other than provisions</b>			
Prepayments	8	<u>136</u>	<u>132</u>
<b>Total non-current liabilities other than provisions</b>		<b>136</b>	<b>132</b>
<b>Current liabilities</b>			
Trade payables		3.314	2.383
Debt to affiliated companies		2.863	4.547
Other payables		28.840	29.466
Prepayments		4.817	4.446
<b>Total current liabilities other than provisions</b>		<u><b>39.834</b></u>	<u><b>40.842</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>39.970</b></u>	<u><b>40.974</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u><b>67.684</b></u></u>	<u><u><b>79.624</b></u></u>

Rental and lease obligations	10
Contingent liabilities	11
Collaterals	12
Related party disclosures	13

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Equity

	Share Capital	Dividend	Retained earnings	Total
Equity 1 January 2017	10.001	15.000	13.649	38.650
Proposed dividend		-		
Transferred, cf. distribution of profit	0	(15.000)	4.064	(10.936)
Equity 31 December 2017	10.001	-	17.713	27.714

There have not been any changes to the share capital during the last 5 years.

### Company capital

10,001 shares of 1 TDKK.

	2017	2016
	10.001	10.001

All shares have same rights.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

The annual report of Motorola Solutions Danmak A/S for the year 2017 has been prepared in accordance with the provisions applying to reporting class C medium entities under the Danish Financial Statements Act.

In accordance with the Danish Financial Statements Act §86 paragraph 4 the company's cash flow statement is omitted because the financial statements is included in the consolidated financial statements of Motorola Solutions Inc.

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

#### **General recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the asset can be reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, applying a constant effective interest rate during the term. Amortized cost is calculated as initial cost after deduction of any principal repayments as well as additions / deduction of the accumulated amortization of the difference between cost and nominal amount.

The recognition or measurement takes into account predictable losses and risks arising before year-end reporting and which prove or disprove matters that existed at the balance sheet date.

Revenue is being recognized in the income statement as it occurs, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. In addition, costs incurred for the year's earnings, including depreciation, write-down and provisions as well reversals due to changes in accounting estimates of amounts previously recognized in the income statement.

#### **Conversion of foreign currency**

Transactions in foreign currencies have been converted at the internal standard rate at transaction date. Receivables and payables that are payable in foreign currencies are converted to the internal standard rates.

Gains and losses, both realized and unrealized, are included in financial items in the income statement.



## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

##### **Income statement**

###### **Revenue**

The company's net revenue represents the invoiced sales after deduction of any discounts, which are directly related to sales and fees for services performed.

###### **Manufacturing costs**

Manufacturing costs include costs such as depreciation and salaries incurred in order to obtain the annual revenue for the year.

This includes direct and indirect costs of raw materials, wages and salaries, rentals and leasing and depreciation of production.

Research and development costs are expensed as incurred and included in cost of sales in the income statement.

###### **Sales and distribution costs**

Sales and distribution cost include cost incurred in distributing goods sold during the year and for the years accomplished sales campaigns, etc. Also included are costs for sales employees, advertising and exhibition expenses as well as depreciation.

###### **Administration costs**

Administration cost include cost incurred during the year for leadership and administration of the company, including costs for administrative personnel, office premises and office expenses as well as depreciation.

###### **Other Income**

Other income is those items that don't occur during the normal course of business operation.

###### **Financial income and expenses**

Financial income and expenses include interest, capital gains and losses on securities, debt and foreign currency transactions, write-down of financial assets and liabilities, surcharges and refunds under the tax on account scheme etc.

###### **Income tax expense**

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

# FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

## Notes to the financial statements

### 1. Accounting policies

#### Balance sheet

##### Tangible fixed assets

Leasehold improvements, technical equipment under construction as well as operating equipment and fixtures are being measured at cost less accumulated depreciation and write-down.

Cost includes purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. For internally constructed assets the cost includes direct and indirect costs of materials, components, sub-contractors and salary.

Straight-line depreciation is based on the following assessment of the expected useful life: Leasehold improvements up to 10 years.

Tools and equipment 3 to 8 years.

Depreciation is recognized in the income statement under production costs, distribution costs and administrative expenses.

Profit or loss on disposal of tangible fixed assets is calculated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognized in the income statement under production costs, distribution costs as well as administrative expenses.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

##### Financial assets

Certain financial assets and liabilities are measured at amortized cost.

##### Accounts receivable

Receivables are measured at amortized cost.

The company has set aside a reserve against potential losses based on an individual assessment of each individual receivable.

##### Dividends

Dividend expected to be paid out for the year, is recognized separately in the equity. Dividend is recognized as a liability at time of adoption at the general meeting.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **1. Accounting policies**

##### **Balance sheet**

##### **Prepayments (assets)**

Accruals included under assets, includes costs incurred, concerning subsequent financial years.

##### **Income tax and deferred tax**

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

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

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

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

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

##### **Liabilities**

Financial liabilities are recognized at the time of borrowing by the amount of proceeds received less

##### **Prepayments (liabilities)**

Prepayments recognized under liabilities include payments received concerning income in subsequent

##### **Cash equivalents**

Cash equivalents comprise cash and short-term securities, which are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

#### 2. Revenue

The company deals exclusively within the segment development, sales and maintenance of portable as

The company's revenue is divided into the following geographical areas:

	2017	2016
Denmark	28.427	36.125
Other countries	114.177	100.696
Total Revenue	<u>142.604</u>	<u>136.821</u>

#### 3. Employee costs

Wages and salaries	84.484	85.478
Pensions	7.286	7.122
Other social security costs	232	184
	<u>92.002</u>	<u>92.784</u>

#### It is distributed as follows

Production costs	65.782	69.310
Sales and distribution cost	16.284	12.897
Administrative cost	9.936	10.577
	<u>92.002</u>	<u>92.784</u>

Average number of full-time employees	<u>111</u>	<u>109</u>
---------------------------------------	------------	------------

Remuneration to the Executive Board and the Board of Directors	<u>1,452</u>	<u>1,758</u>
--	--------------	--------------

The Company's management is part of a group established international option program.

With reference to the Danish Financial Statement Act section 98.b, the remuneration to the Executive Board and the Board of Directors has been disclosed together.

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

<b>4. Financial income and expense</b>	<b>2017</b>	<b>2016</b>
Interest from group companies	0	23
Income from currency translations	0	1.181
	<u>0</u>	<u>1.204</u>
Expense from currency translations	-1.429	-339
Interest expense	0	0
	<u>-1.429</u>	<u>-339</u>

### 5. Tax for the year

Adjustment of deferred tax for the year	-236	-488
Adjustment of deferred tax relating to change in corporation tax percentage	0	0
Current tax for the year	-1.012	-1.284
	<u>-1.248</u>	<u>-1.772</u>

### 6. Property, plant and equipment

<b>Accumulated cost</b>	<b>Leasehold Improvements</b>	<b>Machinery and equipment</b>	<b>Asset under construction</b>
Cost 1 Jan. 2017	14.502	24.464	0
Additions	0	0	45
Retirement	0	-146	0
Cost 31 Dec. 2017	<u>14.502</u>	<u>24.318</u>	<u>45</u>
<b>Accumulated depreciation</b>			
Balance 1 Jan. 2017	13.908	23.889	0
Retirement	0	-146	0
Annual depreciation	570	472	0
Balance 31 Dec. 2017	<u>14.478</u>	<u>24.215</u>	<u>0</u>
Carrying value 31 Dec. 2017	<u>24</u>	<u>103</u>	<u>45</u>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

<b>7. Deferred taxes</b>	<b>2017</b>	<b>2016</b>
Balance at January 1	1.865	2.353
Adjustment of deferred tax for the year	<u>-236</u>	<u>-488</u>
Balance at December 31	<u>1.629</u>	<u>1.865</u>

Deferred taxes relate to:

Plant and equipment	<u>1.629</u>	<u>1.865</u>
	<u>1.629</u>	<u>1.865</u>

<b>8. Prepayments</b>	<b>2017</b>	<b>2016</b>
Prepayments are distributed as follows		
0-1 year	0	0
1-5 years	<u>136</u>	<u>132</u>
	<u>136</u>	<u>132</u>

The amount is recognized as income over the contractual period running up to 5 years.

<b>9. Proposed profit appropriation</b>	<b>2017</b>	<b>2016</b>
<b>At disposal:</b>		
Profit for the year	4.064	6.062
Retained earnings	<u>13.649</u>	<u>22.587</u>
Total disposal	<u>17.713</u>	<u>28.649</u>

### Distribution of profit of the financial year

Retained earnings	17.713	13.649
Proposed dividend	<u>0</u>	<u>15.000</u>
	<u>17.713</u>	<u>28.649</u>

## FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER

### Notes to the financial statements

<b>10. Rental and leasing obligation</b>	<b>2017</b>	<b>2016</b>
Obligation due 0-1 year	8.292	6.999
Obligation due 1-5 years	1.250	973
Total rental- and leasing obligations	<u>9.542</u>	<u>7.972</u>

The amounts for rent and leasing obligations include total obligations concerning cars and rental obligations for a number of contracts covering various periods up to and including 2022.

### 11. Contingent liabilities

The Company has no contingent liabilities.

The company is jointly taxed with other Danish group companies. As the administrative company, together with the other group enterprises included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation. At 31 December 2017, the jointly taxed companies' net liabilities to SKAT amounted to 2,739 TDKK. Any subsequent correction of the taxable income subject to joint taxation may entail that the Company's liability will increase.

### 12. Collaterals

There company has not issued any guarantee.

### 13. Related party disclosures

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Motorola Solutions Danmark AS related parties include the following:

#### Controlling interest

Motorola Solutions Inc., 500W. Monroe Street Chicago, 60661 Illinois, USA.

## **FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

### **Notes to the financial statements**

#### **13. Related party disclosures**

##### **Ownership**

Motorola Solutions Finance EMEA Ltd., Nova South, 160 Victoria Street, London SW1E 5LB, United Kingdom, which is the nearest parent company where consolidation is reported.

The ultimate parent company for consolidation is Motorola Solutions Inc.

The consolidated financial statements of Motorola Solutions Inc. are available at the Company's address or on the Company's website <http://investors.motorolasolutions.com/>.

##### **Other related parties**

Includes the group of companies under Motorola Solutions Inc.