

# **Rohde & Schwarz Danmark A/S**

Lyskær 3D, 1, 2730 Herlev

CVR no. 13 70 18 06

## Annual report 2020/21

Approved at the Company's annual general meeting on 30 November 2021

Chair of the meeting:

.....  
Mario Paoli

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Rohde & Schwarz Danmark A/S for the financial year 1 July 2020 - 30 June 2021.

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 30 June 2021 and of the results of the Company's operations and cash flows for the financial year 1 July 2020 - 30 June 2021.

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

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

Herlev, 24 November 2021  
Executive Board:

.....  
Niels Frandsen

Board of Directors:

.....  
Ralf Maximilian Watamaniuk  
Chair

.....  
Frank Oehler

.....  
Bernhard Konrad Josef  
Grøtsch

## Independent auditor's report

To the shareholder of Rohde & Schwarz Danmark A/S

### Opinion

We have audited the financial statements of Rohde & Schwarz Danmark A/S for the financial year 1 July 2020 - 30 June 2021, which comprise 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 financial position of the Company at 30 June 2021 and of the results of the Company's operations as well as the cash flows for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

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

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

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

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

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

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

## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 November 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Robert Christensen  
State Authorised Public Accountant  
mne16653

Mathias Jessen  
State Authorised Public Accountant  
mne46620

## Management's review

### Company details

Name	Rohde & Schwarz Danmark A/S
Address, Postal code, City	Lyskær 3D, 1, 2730 Herlev
CVR no.	13 70 18 06
Established	1 December 1989
Registered office	Herlev
Financial year	1 July 2020 - 30 June 2021
Website	<a href="http://www.rohde-schwarz.dk">www.rohde-schwarz.dk</a>
Telephone	+45 43 43 66 99
Board of Directors	Ralf Maximilian Watamaniuk, Chair Frank Oehler Bernhard Konrad Josef Grøtsch
Executive Board	Niels Frandsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Bank

## Management's review

### Financial highlights

DKK'000	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Key figures</b>					
Revenue	85,389	74,457	161,389	101,487	111,467
Gross profit	39,063	39,961	102,695	18,007	18,561
Profit before interest and tax (EBIT)	2,341	1,566	64,607	-17,717	-16,168
Net financials	29	59	128	49	-39
<b>Profit for the year</b>	<b>1,801</b>	<b>1,762</b>	<b>50,380</b>	<b>-13,763</b>	<b>-12,244</b>
<b>Balance sheet</b>					
Total assets	32,820	88,087	129,590	72,502	46,746
Investment in property, plant and equipment	-1,895	-6,662	-628	-893	-1,289
<b>Equity</b>	<b>16,790</b>	<b>66,989</b>	<b>65,227</b>	<b>14,847</b>	<b>17,610</b>
<b>Financial ratios</b>					
Operating margin	2.7%	2.1%	40.0%	-17.5 %	-14.5 %
Equity ratio	51.2%	76.0%	50.3%	20.5%	37.7%
Return on equity	4.3%	2.7%	125.8%	-84.8%	-65.4%
<b>Average number of employees</b>	<b>48</b>	<b>50</b>	<b>52</b>	<b>51</b>	<b>51</b>

## Management's review

### Business review

As in previous years, the Company's main activity comprises sale and servicing of measuring equipment, radio and TV transmission equipment and radio communication equipment as well as programming of customised solutions.

### Financial review

In 2020/21, the Company reported revenue of DKK 85,389 thousand against DKK 74,457 thousand last year. Profit before net financials for 2020/21 shows a profit of DKK 1,801 thousand compared to a profit of DKK 1,762 thousand last year. The Company's balance sheet at 30 June 2021 shows equity of DKK 16,790 thousand. Hereof, dividend is DKK 0 thousand for the year. The Company considers the results achieved to be satisfactory and in line with expectations.

Order intake adjusted is above the level in 2019/2020. Revenue is affected by the fact that previously postponed and delayed projects are now slowly being realized. The Company has a significant order book for realisation in 2021/2022 and onwards.

All customer-based activities such as visits and demonstrations have resumed, and many customers' investments have increased in volume. It appears that COVID-19 only affected the Company's activities in 2019/2020.

The programming of customized solutions is performed at the account of third party and realized as expected unaffected by COVID-19.



## **Management's review**

### **Knowledge resources**

In the past, through the recruitment of new employees and cooperation on large projects, the Company has sought and obtained an approach in the field of programming expertise. This knowledge resource will be used by the Company to maintain and expand in the coming years.

### **Impact on the external environment**

The Company is of the opinion that existing environmental legislation is observed in the countries where the Company has an office. The Company still does not have any physical production, and therefore, the majority of its waste comes from other combustible material with no significant environmental impact. The Company has joined the WEEE scheme for the return of electronics for recycling.

The Company continues to focus on energy consumption in order to save consumption and waste discharges. Collaborations have been initiated with other tenants in the Danish offices in order to reduce the costs of energy, the environment and other things through co-operation. In the Baltic countries, it has not yet been possible to make gains locally due to a lack of interest from other tenants, but it remains the Company's goal to make gains through this.

### **Foreign branches**

The Company has branches in Estonia, Latvia and Lithuania. These branches are fully consolidated in the Company's income statement and balance sheet.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date which may materially affect the assessment of the Company's financial position.

### **Outlook**

In 2021/22, the Company expects to report results of operation in line with the those realised in 2020/21.

## Financial statements 1 July 2020 - 30 June 2021

### Income statement

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	<b>Revenue</b>	85,389	74,457
	Cost of sales	-67,723	-57,539
2	Other operating income	29,512	33,723
	External expenses	-8,115	-10,680
	<b>Gross profit</b>	<u>39,063</u>	<u>39,961</u>
3	Staff costs	-34,580	-35,865
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-2,141	-2,530
	<b>Profit before net financials</b>	<u>2,342</u>	<u>1,566</u>
5	Financial income	86	133
6	Financial expenses	-57	-74
	<b>Profit before tax</b>	<u>2,371</u>	<u>1,625</u>
7	Tax for the year	-570	137
	<b>Profit for the year</b>	<u><u>1,801</u></u>	<u><u>1,762</u></u>

## Financial statements 1 July 2020 - 30 June 2021

### Balance sheet

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
8	<b>Intangible assets</b>		
	Acquired intangible assets	259	329
		<u>259</u>	<u>329</u>
9	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	2,535	4,281
	Leasehold improvements	868	1,150
		<u>3,403</u>	<u>5,431</u>
10	<b>Investments</b>		
	Deposits, investments	702	702
		<u>702</u>	<u>702</u>
	<b>Total fixed assets</b>	<u>4,364</u>	<u>6,462</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	943	186
	Prepayments for goods	18	527
		<u>961</u>	<u>713</u>
	<b>Receivables</b>		
	Trade receivables	12,440	5,868
11	Work in progress for third parties	399	5,156
	Receivables from group entities	5,476	60,908
	Income taxes receivable	180	709
	Joint taxation contribution receivable	0	467
	Other receivables	261	541
12	Prepayments	263	294
		<u>19,019</u>	<u>73,943</u>
	<b>Cash</b>	<u>8,476</u>	<u>6,969</u>
	<b>Total non-fixed assets</b>	<u>28,456</u>	<u>81,625</u>
	<b>TOTAL ASSETS</b>	<u>32,820</u>	<u>88,087</u>

## Financial statements 1 July 2020 - 30 June 2021

### Balance sheet

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
13	Share capital	5,000	5,000
	Retained earnings	9,989	9,989
	Dividend proposed for the year	1,801	52,000
	<b>Total equity</b>	<u>16,790</u>	<u>66,989</u>
	<b>Provisions</b>		
14	Deferred tax	33	197
	<b>Total provisions</b>	<u>33</u>	<u>197</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Prepayments received from customers	1,969	1,381
11	Work in progress for third parties	392	0
	Trade payables	165	389
	Payables to group entities	5,646	6,659
	Income taxes payable	414	353
	Other payables	7,411	12,119
		<u>15,997</u>	<u>20,901</u>
		<u>15,997</u>	<u>20,901</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>32,820</u>	<u>88,087</u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Appropriation of profit

## Financial statements 1 July 2020 - 30 June 2021

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 July 2019	5,000	60,227	0	65,227
18	Transfer, see "Appropriation of profit"	0	-50,238	52,000	1,762
	<b>Equity at 1 July 2020</b>	<b>5,000</b>	<b>9,989</b>	<b>52,000</b>	<b>66,989</b>
18	Transfer, see "Appropriation of profit"	0	0	1,801	1,801
	Dividend distributed	0	0	-52,000	-52,000
	<b>Equity at 30 June 2021</b>	<b>5,000</b>	<b>9,989</b>	<b>1,801</b>	<b>16,790</b>

## Financial statements 1 July 2020 - 30 June 2021

### Cash flow statement

Note	DKK'000	2020/21	2019/20
	Profit for the year	1,801	1,762
19	Adjustments	2,642	3,186
	Cash generated from operations (operating activities)	4,443	4,948
20	Changes in working capital	48,715	14,147
	Cash generated from operations (operating activities)	53,158	19,095
	Interest received, etc.	86	133
	Interest paid, etc.	-57	-74
	Corporation taxes paid, net	322	-10,115
	<b>Cash flows from operating activities</b>	<b>53,509</b>	<b>9,039</b>
	Additions of intangible assets	0	-353
	Additions of property, plant and equipment	-1,895	-6,662
	Disposals of property, plant and equipment	1,893	327
	<b>Cash flows to investing activities</b>	<b>-2</b>	<b>-6,688</b>
	Dividends distributed	-52,000	0
	<b>Cash flows from financing activities</b>	<b>-52,000</b>	<b>0</b>
	<b>Net cash flow</b>	<b>1,507</b>	<b>2,351</b>
	Cash and cash equivalents at 1 July	6,969	4,618
	<b>Cash and cash equivalents at 30 June</b>	<b>8,476</b>	<b>6,969</b>

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Rohde & Schwarz Danmark A/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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

Income from the sale of goods held for sale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Other operating income

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

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### External expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease 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.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5-10 years

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

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

##### Financial income and expenses

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

##### Tax

The Company and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method). The parent acts as a management company for all the entities encompassed by the joint taxation arrangement and is thus responsible for ensuring that tax charges, etc. are paid to the Danish tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.



## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Other intangible assets comprise other acquired intangible rights, including software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Property, plant and equipment comprise leasehold improvements and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges.

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.

##### Investments

Investments comprise deposits and are measured at cost.

##### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Impairment of fixed assets

Property, plant and equipment and investments are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation. Impairment tests are conducted in respect of individual assets or groups of assets when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

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. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by provisions for impairment losses.

#### Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

#### Prepayments

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

#### Cash

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

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

#### Income taxes

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

As management company for all the entities in the joint taxation arrangement, the management company is liable for the jointly taxed companies' income taxes vis-à-vis the tax authorities as the jointly taxed companies pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivable or payable.

#### Other payables

Other payables are measured at net realisable value.

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

#### 2 Other operating income

Other operating income primarily includes invoiced service related to development work performed for the group entities.

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

DKK'000	<u>2020/21</u>	<u>2019/20</u>
<b>3 Staff costs</b>		
Wages/salaries	31,944	33,065
Pensions	2,247	2,349
Other social security costs	389	451
	<u>34,580</u>	<u>35,865</u>
Average number of full-time employees	<u>48</u>	<u>50</u>
By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
DKK'000	<u>2020/21</u>	<u>2019/20</u>
<b>4 Amortisation/depreciation of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	70	24
Depreciation of property, plant and equipment	2,071	2,506
	<u>2,141</u>	<u>2,530</u>
<b>5 Financial income</b>		
Interest receivable, group entities	0	2
Other financial income	86	131
	<u>86</u>	<u>133</u>
<b>6 Financial expenses</b>		
Interest expenses, group entities	10	16
Other financial expenses	47	58
	<u>57</u>	<u>74</u>
<b>7 Tax for the year</b>		
Estimated tax charge for the year	433	-120
Deferred tax adjustments in the year	-164	380
Tax adjustments, prior years	301	-397
	<u>570</u>	<u>-137</u>

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 8 Intangible assets

DKK'000	<u>Acquired intangible assets</u>
Cost at 1 July 2020	353
Cost at 30 June 2021	353
Impairment losses and amortisation at 1 July 2020	24
Amortisation/depreciation in the year	70
Impairment losses and amortisation at 30 June 2021	94
<b>Carrying amount at 30 June 2021</b>	<b>259</b>
Amortised over	<u>3-5 years</u>

#### 9 Property, plant and equipment

DKK'000	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 July 2020	10,385	1,844	12,229
Exchange adjustment	-192	0	-192
Additions in the year	1,867	28	1,895
Disposals in the year	-4,439	0	-4,439
Cost at 30 June 2021	7,621	1,872	9,493
Impairment losses and depreciation at 1 July 2020	6,104	694	6,798
Exchange adjustment	-192	0	-192
Depreciation in the year	1,761	310	2,071
Amortisation/depreciation and impairment of disposals in the year	-2,587	0	-2,587
Impairment losses and depreciation at 30 June 2021	5,086	1,004	6,090
<b>Carrying amount at 30 June 2021</b>	<b>2,535</b>	<b>868</b>	<b>3,403</b>
Depreciated over	<u>2-5 years</u>	<u>5-10 years</u>	

#### 10 Investments

DKK'000	<u>Deposits, investments</u>
Cost at 1 July 2020	702
Cost at 30 June 2021	702
<b>Carrying amount at 30 June 2021</b>	<b>702</b>

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

DKK'000	<u>2020/21</u>	<u>2019/20</u>
<b>11 Work in progress for third parties</b>		
Selling price of work performed	3,566	8,332
Progress billings	-3,559	-3,176
	<u>7</u>	<u>5,156</u>
recognised as follows:		
Work in progress for third parties (assets)	399	5,156
Work in progress for third parties (liabilities)	-392	0
	<u>7</u>	<u>5,156</u>

### 12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies, subscriptions, etc.

DKK'000	<u>2020/21</u>	<u>2019/20</u>
<b>13 Share capital</b>		
Analysis of the share capital:		
3 shares of DKK 100,000.00 nominal value each	300	300
1 shares of DKK 3,200,000.00 nominal value each	3,200	3,200
1 shares of DKK 1,500,000.00 nominal value each	1,500	1,500
	<u>5,000</u>	<u>5,000</u>

### 14 Deferred tax

A deferred tax liability of DKK 33 thousand has been recognised, which primarily relates to other fixtures and fittings, tools and equipment.

### 15 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

DKK'000	<u>2020/21</u>	<u>2019/20</u>
Guarantee commitments	3,704	595
	<u>3,704</u>	<u>595</u>

During the financial year, the Company has received a request from the Danish Tax Authorities regarding the Company's transfer pricing documentation. The Danish Tax Authorities have proposed to increase the Company's income for the tax years 2015 and 2016. The Company is of the opinion that the intra-group transactions have been settled at market prices and has submitted documentation to the Danish Tax Authorities, who at the time of financial reporting examine the submitted documentation. The Company's Management expects that the Danish Tax Authorities will waive the proposed income increases, and on this basis, no provisions have been recognised in the annual report for 2020/21.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

#### 15 Contractual obligations and contingencies, etc. (continued)

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2020/21	2019/20
Rent and lease liabilities	3,979	4,160

#### 16 Collateral

The Company has not provided any security or other collateral in assets at 30 June 2021.

#### 17 Related parties

Rohde & Schwarz Danmark A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Rusa Schwarz Anlagen GmbH	München, Germany	Participating interest
Rohde & Schwarz GmbH & Co. KG	München, Germany	Ultimate ownership

##### Information about consolidated financial statements

Parent	Domicile
Rohde & Schwarz GmbH & Co. KG	München, Germany

##### Related party transactions

Rohde & Schwarz Danmark A/S was engaged in the below related party transactions:

DKK'000	2020/21	2019/20
Sales to group entities	1,174	16,296
Purchase from group entities	51,342	67,295
Interest expenses, group entities	10	16
Interest income, group entities	0	2
Other operating income	28,749	21,862
Receivables from group entities	5,476	60,908
Payables to group entities	5,646	6,659

## Financial statements 1 July 2020 - 30 June 2021

### Notes to the financial statements

DKK'000	<u>2020/21</u>	<u>2019/20</u>
<b>18 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Proposed dividend recognised under equity	1,801	52,000
Retained earnings/accumulated loss	<u>0</u>	<u>-50,238</u>
	<u>1,801</u>	<u>1,762</u>
<b>19 Adjustments</b>		
Amortisation/depreciation and impairment losses	2,141	3,454
Gain/loss on the sale of fixed assets	-40	-72
Financial income	-86	-133
Financial expenses	57	74
Tax for the year	<u>570</u>	<u>-137</u>
	<u>2,642</u>	<u>3,186</u>
<b>20 Changes in working capital</b>		
Change in inventories	4,509	-1,943
Change in receivables	49,171	47,781
Change in trade and other payables	<u>-4,965</u>	<u>-31,691</u>
	<u>48,715</u>	<u>14,147</u>