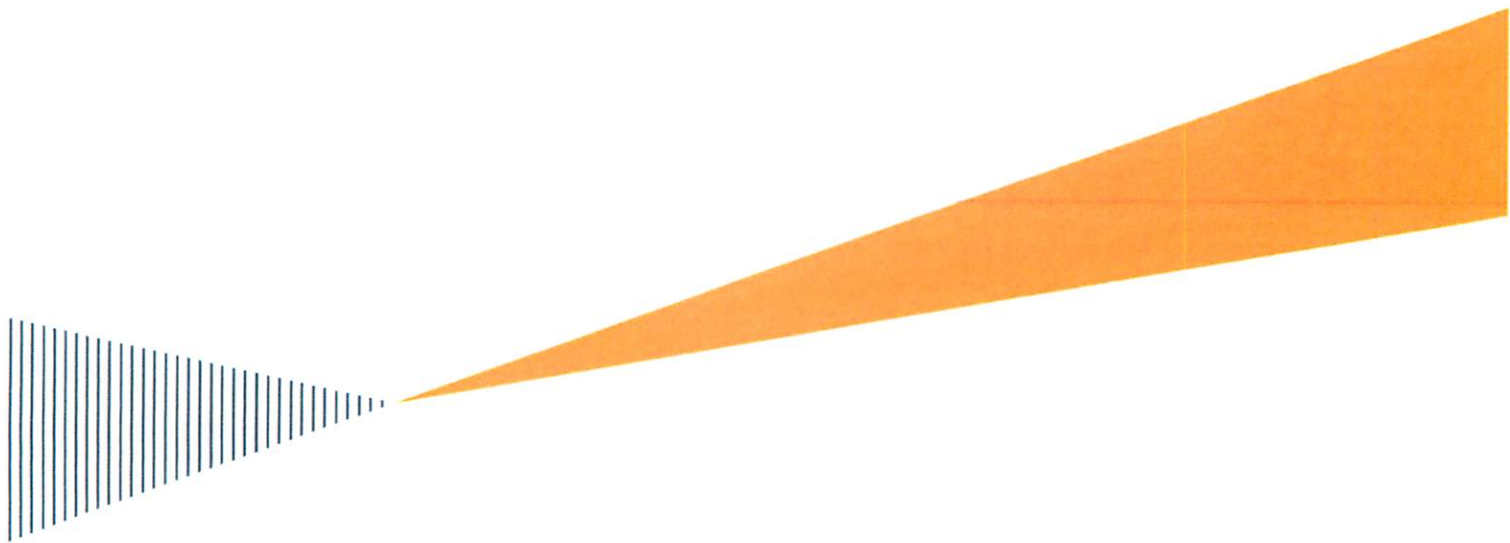


Kontron Technology A/S

Slotsmarken 18, 2970 Hørsholm, Denmark

CVR no. 18 35 13 82



Annual report 2015

Approved at the annual general meeting of shareholders on 30 June 2016

Chairman:

.....
Stefan Franke



Building a better
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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 Kontron Technology A/S for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hørsholm, 30 June 2016
Executive Board:



Stefan Franke

Board of Directors:



Corinna Refsgaard
Chairman



Stefan Franke



Jens Jörg Peter Wiegand

Independent auditors' report

To the shareholders of Kontron Technology A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Kontron Technology A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 30 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Mogens Andreasen
State Authorised Public Accountant



Kim Thomsen
State Authorised Public Accountant



Management's review

Company details

Name	Kontron Technology A/S
Address, Postal code, City	Slotsmarken 18, 2970 Hørsholm, Denmark
CVR No.	18 35 13 82
Established	15 March 1995
Registered office	Hørsholm; Denmark
Financial year	1 January - 31 December
Board of Directors	Corinna Refsgaard, Chairman Stefan Franke Jens Jörg Peter Wiegand
Executive Board	Stefan Franke
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank



Management's review

Operating review

The Company's business review

Until 2014, the Company's main activities comprised development and sales of longevity computer products.

In the financial year 2015, the Company had focus on R&D related activities which had been primarily delivered to the parent company.

Financial review

In 2015, the company's revenue came in at DKK 3,946,108 against DKK 61,676,600 last year. The income statement for 2015 shows a loss of DKK 4,883,017 against a profit of DKK 6,077,535 last year, and the balance sheet at 31 December 2015 shows equity of DKK 7,635,972. Overall, the result was as expected.

Post balance sheet events

At 25 February 2016, the Company has performed a decrease of the share capital of DKK 6,350,000, after which the share capital amounts to DKK 500,000.

The Company is expected to be liquidated in 2016.

Outlook

The Company does not have any current business activities. The liquidation of the Company is planned in the financial year 2016.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Revenue	3,946,108	61,676,600
2	Production costs	-5,831,219	-57,009,069
	Gross profit/loss	-1,885,111	4,667,531
2	Distribution costs	-54,870	-4,266,482
2	Administrative expenses	-2,428,456	-2,769,837
	Ordinary operating profit/loss	-4,368,437	-2,368,788
	Other operating income	0	10,047,021
	Operating profit/loss	-4,368,437	7,678,233
3	Financial income	862,000	716,953
4	Financial expenses	-1,192,780	-1,845,732
	Profit/loss before tax	-4,699,217	6,549,454
5	Tax for the year	-183,800	-471,919
	Profit/loss for the year	-4,883,017	6,077,535
	 Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	-4,883,017	6,077,535
		-4,883,017	6,077,535

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Non-current assets		
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	0	5,715
		0	5,715
	Total non-current assets	0	5,715
	Current assets		
	Receivables		
	Receivables from group entities	17,373,011	21,971,554
	Other receivables	428,060	140,648
	Prepayments	0	355,299
		17,801,071	22,467,501
	Cash	506,971	3,065,070
	Total current assets	18,308,042	25,532,571
	TOTAL ASSETS	18,308,042	25,538,286
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	6,850,000	6,850,000
	Retained earnings	785,972	5,668,989
	Total equity	7,635,972	12,518,989
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	160,676	268,445
	Payables to group entities	8,532,743	4,005,989
	Income taxes payable	1,809,717	1,698,106
	Other payables	168,934	7,046,757
		10,672,070	13,019,297
	Total liabilities other than provisions	10,672,070	13,019,297
	TOTAL EQUITY AND LIABILITIES	18,308,042	25,538,286

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	6,850,000	5,668,989	12,518,989
Profit/loss for the year	0	-4,883,017	-4,883,017
Equity at 31 December 2015	6,850,000	785,972	7,635,972

At 25 February 2016, the Company has performed a decrease of the share capital of DKK 6,350,000, after which the share capital amounts to DKK 500,000.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Kontron Technology A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Income statement

Revenue

Income from the rendering of services, which comprises R&D services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

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

Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

Production costs

Production costs comprise expenses, including amortisation/depreciation made and salaries incurred to generate the revenue for the year.

Production costs further include research and development costs not satisfying the capitalisation criteria and depreciation of capitalised development costs.

Distribution costs

Administrative expenses include expenses incurred during the year in relation to the management and administration of the Company, including expenses related to administrative staff, executive officers, office premises, stationery and amortisation/depreciation.

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the Company, including expenses relating to administrative staff, management, office premises/expenses as well as amortisation/depreciation of assets used for administrative purposes.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

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

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

Plant and machinery	3-5 years
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Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

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

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

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

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale are measured at cost, which includes the cost of acquisition plus costs of delivery.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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

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

Other payables

Other payables are measured at net realisable value.

Deferred income

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

DKK	2015	2014
2 Staff costs		
Wages/salaries	4,751,211	8,825,414
Pensions	238,015	434,315
Other social security costs	46,986	562,690
Other staff costs	7,993	45,270
	5,044,205	9,867,689

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
3 Financial income		
Exchange gain	851,081	715,924
Other financial income	10,919	1,029
	862,000	716,953
4 Financial expenses		
Interest expenses, group entities	108,800	442,501
Exchange losses	961,450	1,403,231
Other financial expenses	122,530	0
	1,192,780	1,845,732
5 Tax for the year		
Estimated tax charge for the year	0	471,919
Tax adjustments, prior years	183,800	0
	183,800	471,919
6 Property, plant and equipment		
DKK		Other fixtures and fittings, tools and equipment
Cost at 1 January 2015		1,725,626
Disposals in the year		-1,725,626
Cost at 31 December 2015		0
Impairment losses and depreciation at 1 January 2015		1,719,911
Depreciation in the year		5,715
Reversal of depreciation and impairment of disposals		-1,725,626
Carrying amount at 31 December 2015		0
DKK	2015	2014
7 Share capital		
The share capital consists of the following:		
6,850 shares of DKK 1,000.00 each	6,850,000	6,850,000
	6,850,000	6,850,000

The Company's share capital has remained DKK 6,850,000 over the past 5 years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	0	389,603

9 Related parties

Kontron Technology A/S' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Kontron AG	Lise-Meitner-Straße 3-5, 86156 Augsburg, Germany	www.kontron.com