



COMBILENT A/S

Ryttermarken 5, 3520 Farum
CVR No. 19623742

Annual report 2019

The Annual General Meeting adopted the
annual report on 26.02.2020

Claus Dall-Hansen
Conductor

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Entity details

Entity

COMBILENT A/S

Ryttermarken 5

3520 Farum

CVR No.: 19623742

Registered office: Furesø

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jesper Trier

Tomas Patrik Stolpe

Claus Dall-Hansen

Carl Johan Olof Lundberg

Executive Board

Claus Dall-Hansen

Auditors

PriceWaterHouseCoopers Statsautoriseret Revisionspartnerselskab

Milnersvej 43

3400 Hillerød

CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of COMBILENT A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Farum, 26.02.2020

Executive Board

Claus Dall-Hansen

Board of Directors

Jesper Trier

Tomas Patrik Stolpe

Claus Dall-Hansen

Carl Johan Olof Lundberg

Independent auditor's report

To the shareholders of COMBILENT A/S

Opinion

We have audited the financial statements of COMBILENT A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Hillerød, 26.02.2020

PriceWaterHouseCoopers Statsautoriseret Revisionspartnerselskab

CVR No. 33771231

Mogens Rasmussen

State Authorised Public Accountant

Identification No (MNE) mnemne33240

Management commentary

Primary activities

The Entity's activities are development, manufacture and sale of electronic equipment for the telecommunication sector.

Development in activities and finances

Results for the year 2019 show a profit of DKK 19,097 thousand and the balance sheet at 31 December 2019 shows an equity of DKK 37,493 thousand. Management considers results as satisfying.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		27,294,907	23,671,253
Staff costs	1	(15,866,462)	(13,231,975)
Depreciation, amortisation and impairment losses	2	(798,324)	(508,625)
Operating profit/loss		10,630,121	9,930,653
Other financial income	3	2,621,172	1,523,777
Impairment losses on financial assets		9,977,423	0
Other financial expenses	4	(1,550,739)	(1,401,664)
Profit/loss before tax		21,677,977	10,052,766
Tax on profit/loss for the year	5	(2,580,663)	(2,211,732)
Profit/loss for the year		19,097,314	7,841,034
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		7,700,000	6,000,000
Retained earnings		11,397,314	1,841,034
Proposed distribution of profit and loss		19,097,314	7,841,034

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		882,656	348,602
Leasehold improvements		2,456,311	2,375,250
Property, plant and equipment	6	3,338,967	2,723,852
Investments in group enterprises		550	550
Receivables from group enterprises		0	3,935,928
Other receivables		791,345	768,372
Other financial assets	7	791,895	4,704,850
Fixed assets		4,130,862	7,428,702
Raw materials and consumables		12,473,703	16,207,280
Inventories		12,473,703	16,207,280
Trade receivables		6,268,630	12,979,083
Receivables from group enterprises		25,769,539	5,851,135
Other receivables		693,394	2,120,878
Income tax receivable		0	654,587
Prepayments		704,869	660,042
Receivables		33,436,432	22,265,725
Cash		5,730	2,785
Current assets		45,915,865	38,475,790
Assets		50,046,727	45,904,492

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		600,000	600,000
Retained earnings		29,192,520	17,795,206
Proposed dividend		7,700,000	6,000,000
Equity		37,492,520	24,395,206
Deferred tax		196,154	140,856
Provisions		196,154	140,856
Bank loans		120,707	130,085
Trade payables		965,988	3,471,176
Payables to group enterprises		8,162,687	16,062,255
Income tax payable		425,365	0
Other payables		2,683,306	1,704,914
Current liabilities other than provisions		12,358,053	21,368,430
Liabilities other than provisions		12,358,053	21,368,430
Equity and liabilities		50,046,727	45,904,492
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	600,000	17,795,206	6,000,000	24,395,206
Ordinary dividend paid	0	0	(6,000,000)	(6,000,000)
Profit/loss for the year	0	11,397,314	7,700,000	19,097,314
Equity end of year	600,000	29,192,520	7,700,000	37,492,520

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	14,385,442	11,850,519
Pension costs	1,103,490	1,013,854
Other social security costs	377,530	367,602
	15,866,462	13,231,975
Average number of full-time employees	23	23

2 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Depreciation of property, plant and equipment	798,324	510,481
Profit/loss from sale of intangible assets and property, plant and equipment	0	(1,856)
	798,324	508,625

3 Other financial income

	2019	2018
	DKK	DKK
Financial income from group enterprises	111,689	78,132
Other financial income	2,509,483	1,445,645
	2,621,172	1,523,777

4 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	76,044	103,285
Other interest expenses	1,474,695	1,298,379
	1,550,739	1,401,664

5 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	2,525,365	2,045,413
Change in deferred tax	55,298	166,319
	2,580,663	2,211,732

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	4,236,188	2,542,119
Additions	725,062	688,376
Cost end of year	4,961,250	3,230,495
Depreciation and impairment losses beginning of year	(3,887,585)	(166,869)
Depreciation for the year	(191,009)	(607,315)
Depreciation and impairment losses end of year	(4,078,594)	(774,184)
Carrying amount end of year	882,656	2,456,311

7 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Other receivables DKK
Cost beginning of year	550	3,935,928	768,372
Transfers	0	(3,935,928)	0
Additions	0	0	22,973
Cost end of year	550	0	791,345
Carrying amount end of year	550	0	791,345

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Txrx Ltd. EIN 27-3991986	USA	Ltd.	100	(1,820,398)	9,647,744

8 Contingent liabilities

	2019 DKK	2018 DKK
Other contingent liabilities	6,335,865	8,518,514
Contingent liabilities	6,335,865	8,518,514

The Entity participates in a Danish joint taxation arrangement where Indutrade A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Indutrade AB, Stockholm, Sweden

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales

discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its parent company and all Danish affiliated companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Leasehold improvements as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the

asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Intercompany balances

Funds included in the Group cash pooling arrangement are recognised under intercompany balances along with other current receivables or payables from group enterprises.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.