

**TE Connectivity (Denmark)
ApS**
Smedeland 13, 1.
2600 Glostrup
Central Business Registration No
21489999

Annual report 2016/17

The Annual General Meeting adopted the annual report on 28.02.2018

Chairman of the General Meeting

Name: Malin Maria Tränk

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Entity details

Entity

TE Connectivity (Denmark) ApS
Smedeland 13, 1.
2600 Glostrup

Central Business Registration No: 21489999
Registered in: Albertslund
Financial year: 01.10.2016 - 30.09.2017

Board of Directors

Malin Maria Tränk
Michael Thomas Gerosa
Harold Gregory Barksdale

Executive Board

Susanne Bakke Henriksen, Chief Executive Officer
Patrick Segmueller

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of TE Connectivity (Denmark) ApS for the financial year 01.10.2016 - 30.09.2017.

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 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017.

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.

Glostrup, 28.02.2018

Executive Board

Susanne Bakke Henriksen
Chief Executive Officer

Patrick Segmueller

Board of Directors

Malin Maria Tränk

Michael Thomas Gerosa

Harold Gregory Barksdale

Independent auditor's report

To the shareholder of TE Connectivity (Denmark) ApS

Opinion

We have audited the financial statements of TE Connectivity (Denmark) ApS for the financial year 01.10.2016 - 30.09.2017, 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 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

Copenhagen, 28.02.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Jan Larsen
State Authorised Public Accountant
Identification number (MNE) 16541

Management commentary

Primary activities

The Company's primary activities are the sale of electronic components to distributors and manufacturers. The sale takes place directly from foreign suppliers. The Company receives a commission from its activities on the Danish market.

The Company also acts as a holding company.

Development in activities and finances

The loss for the year is DKK 163 thousand, which is in line with expectations.

An increase of capital of DKK 185 million was settled in the financial year 2016/17 leaving the Company with total equity of DKK 1,251 thousand.

Management considers reducing the contributed capital to cover the Company's capital loss.

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 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Revenue		23.596.146	23.406.317
Production costs		<u>(719.278)</u>	<u>(934.085)</u>
Gross profit/loss		22.876.868	22.472.232
Distribution costs		(8.544.787)	(8.225.552)
Administrative costs	3	<u>(13.035.531)</u>	<u>(12.649.043)</u>
Operating profit/loss		1.296.550	1.597.637
Other financial income	4	4.943	4.358
Other financial expenses		<u>(3.915.917)</u>	<u>(5.297.850)</u>
Profit/loss before tax		(2.614.424)	(3.695.855)
Tax on profit/loss for the year	5	<u>2.451.000</u>	<u>(75.391)</u>
Profit/loss for the year		<u>(163.424)</u>	<u>(3.771.246)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(163.424)</u>	<u>(3.771.246)</u>
		<u>(163.424)</u>	<u>(3.771.246)</u>

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Goodwill		33.670.075	45.214.111
Intangible assets	6	<u>33.670.075</u>	<u>45.214.111</u>
Investments in group enterprises		3.033.515	3.033.515
Deposits		16.500	16.500
Fixed asset investments	7	<u>3.050.015</u>	<u>3.050.015</u>
Fixed assets		<u>36.720.090</u>	<u>48.264.126</u>
Receivables from group enterprises		22.716.007	9.520.242
Deferred tax		2.451.000	0
Other receivables		54.783	117.069
Income tax receivable		0	1.020.103
Prepayments		68.404	16.142
Receivables		<u>25.290.194</u>	<u>10.673.556</u>
Current assets		<u>25.290.194</u>	<u>10.673.556</u>
Assets		<u>62.010.284</u>	<u>58.937.682</u>

Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Contributed capital		73.423.940	73.423.940
Retained earnings		<u>(72.172.886)</u>	<u>(257.009.462)</u>
Equity		<u>1.251.054</u>	<u>(183.585.522)</u>
Payables to group enterprises		<u>55.600.000</u>	<u>55.600.000</u>
Non-current liabilities other than provisions	8	<u>55.600.000</u>	<u>55.600.000</u>
Trade payables		13.547	289.209
Payables to group enterprises		1.212.577	183.262.390
Other payables	9	<u>3.933.106</u>	<u>3.371.605</u>
Current liabilities other than provisions		<u>5.159.230</u>	<u>186.923.204</u>
Liabilities other than provisions		<u>60.759.230</u>	<u>242.523.204</u>
Equity and liabilities		<u>62.010.284</u>	<u>58.937.682</u>
Uncertainty relating to recognition and measurement	1		
Staff costs	2		
Unrecognised rental and lease commitments	10		
Group relations	11		

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	73.423.940	(257.009.462)	(183.585.522)
Increase of capital	0	185.000.000	185.000.000
Profit/loss for the year	0	(163.424)	(163.424)
Equity end of year	<u>73.423.940</u>	<u>(72.172.886)</u>	<u>1.251.054</u>

Notes

1. Uncertainty relating to recognition and measurement

The Company has invested DKK 346 million in three companies which are measured in the financial statements at DKK 3 million. The investments have been written down for impairment based on the financial statements for 2015/16, as audited financial statements for 2016/17 are not yet available. Consequently, an uncertainty exists about the value.

	<u>2016/17</u>	<u>2015/16</u>
2. Staff costs		
Average number of employees	<u>10</u>	
	<u>2016/17</u>	<u>2015/16</u>
	<u>DKK</u>	<u>DKK</u>
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	<u>11.544.036</u>	<u>11.544.036</u>
	<u>11.544.036</u>	<u>11.544.036</u>
	<u>2016/17</u>	<u>2015/16</u>
	<u>DKK</u>	<u>DKK</u>
4. Other financial income		
Financial income arising from group enterprises	4.400	0
Exchange rate adjustments	543	4.273
Other financial income	<u>0</u>	<u>85</u>
	<u>4.943</u>	<u>4.358</u>
	<u>2016/17</u>	<u>2015/16</u>
	<u>DKK</u>	<u>DKK</u>
5. Tax on profit/loss for the year		
Change in deferred tax for the year	(2.451.000)	0
Adjustment concerning previous years	<u>0</u>	<u>75.391</u>
	<u>(2.451.000)</u>	<u>75.391</u>

Notes

	Outstanding after 5 years DKK	
	<u>DKK</u>	
8. Liabilities other than provisions		
Payables to group enterprises		55.600.000
		55.600.000
	2016/17	2015/16
	<u>DKK</u>	<u>DKK</u>
9. Other payables		
Wages and salaries, personal income taxes, social security costs, etc payable	3.637.106	3.150.948
Other costs payable	296.000	220.657
	3.933.106	3.371.605
	2016/17	2015/16
	<u>DKK</u>	<u>DKK</u>
10. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	1.199.245	826.620

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

TE Connectivity Holding International I S.A., 17, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg

The foreign consolidated financial statements can be obtained at www.te.com.

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 112(2) 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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from commissions is recognised in the income statement when invoiced. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Production costs

Production costs comprise direct and indirect costs incurred to earn revenue, including costs for consumables and staff as well as development costs and a proportional share of depreciation and amortisation.

Distribution costs

Distribution costs comprise costs incurred for sale campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Administrative costs

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation and depreciation relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, and net capital gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses and net capital losses on payables and transactions in foreign currencies.

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.

Balance sheet

Goodwill

Goodwill is amortised on a straight-line basis over its estimated useful life which is based on Management's experience in the individual business areas. The useful life is determined based on an assessment to which extent it is a strategically acquired company with a strong market position and long-term earning profile as well as to which extent the goodwill includes time-limited intangible assets that has not been possible to exclude and recognise as separate assets. The useful life is reviewed annually. The depreciation period used is five years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

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

Accounting policies

Receivables

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

Deferred tax

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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