
RE Microphones ApS

Gydevang 42, DK-3450 Allerød

Annual Report for 1 May 2015 - 30 April 2016

CVR No 25 38 33 38

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/7 2016

Martin Gösta Gustafsson
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of RE Microphones ApS for the financial year 1 May 2015 - 30 April 2016.

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 at 30 April 2016 of the Company and of the results of the Company operations for 2015/16.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Allerød, 22 July 2016

Executive board

Thorsten Reuber
Executive Officer

Board of directors

Karsten Langer
Chairman

Martin Gösta Gustafsson

Christian Poulsen

Independent Auditor's Report on the Financial Statements

To the Shareholder of RE Microphones ApS

Report on the Financial Statements

We have audited the Financial Statements of RE Microphones ApS for the financial year 1 May 2015 - 30 April 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act and the Danish Accounting Standard for small enterprises.

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 the Danish Accounting Standard for small enterprises, 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.

Auditor's 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 regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 auditor considers 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2016 and of the results of the Company operations for the financial year 1 May 2015 - 30 April 2016 in accordance with the Danish Financial Statements Act and the Danish Accounting Standard for small enterprises.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 22 July 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant

Henrik Y. Jensen
State Authorised Public Accountant

Company Information

The Company

RE Microphones ApS
Gydevang 42
DK-3450 Allerød

CVR No: 25 38 33 38
Financial period: 1 May - 30 April
Municipality of reg. office: Allerød

Board of Directors

Karsten Langer, Chairman
Martin Gösta Gustafsson
Christian Poulsen

Executive Board

Thorsten Reuber

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Banks

Danske Bank
Finanscenter Sjælland Nord
Munkeengen 30
3400 Hillerød

Management's Review

Financial Statements of RE Microphones ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The company's main activity is direct or indirect ownership in companies with activity into development, production and marketing of microphones and associated equipment.

Development in the year

The income statement of the Company for 2015/16 shows a profit of DKK 1,215,003, and at 30 April 2016 the balance sheet of the Company shows equity of DKK 144,237,101.

CEO Christian Poulsen has resigned his position in January 2016. New CEO as of 26th January 2016 is Thorsten Reuber.

Targets and expectations for the year ahead

The company expects the financial year 2016/17 to continue with increased sales and is planning several new product launches during the year.

Results are expected to be above the level of last year.

Subsequent events

The company is not aware of any news after balance sheet date which could have significant impact on the assessment of the annual report.

Income Statement 1 May - 30 April

	Note	2015/16 DKK	2014/15 DKK
Gross profit/loss		0	0
Administrative expenses		-32.250	-50.000
Operating profit/loss		-32.250	-50.000
Financial income	1	6.064.186	3.061.868
Financial expenses	2	-5.523.450	-5.665.094
Profit/loss before tax		508.486	-2.653.226
Tax on profit/loss for the year	3	706.517	3.389.509
Net profit/loss for the year		1.215.003	736.283

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year		70.000.000	0
Retained earnings		-68.784.997	736.283
		1.215.003	736.283

Balance Sheet 30 April

Assets

	Note	2015/16 DKK	2014/15 DKK
Investments in subsidiaries	4	234.119.004	234.119.004
Fixed asset investments		234.119.004	234.119.004
Fixed assets		234.119.004	234.119.004
Receivables from group enterprises		592.304	699.368
Deferred tax asset		0	332.078
Corporation tax		4.910.435	5.298.902
Receivables		5.502.739	6.330.348
Cash at bank and in hand		260.698	748.848
Currents assets		5.763.437	7.079.196
Assets		239.882.441	241.198.200

Balance Sheet 30 April

Liabilities and equity

	Note	2015/16 DKK	2014/15 DKK
Share capital		200.000	200.000
Retained earnings		74.037.101	142.822.098
Proposed dividend for the year		70.000.000	0
Equity	5	144.237.101	143.022.098
Provision for deferred tax		339.076	0
Provisions		339.076	0
Credit Institutions		47.337.459	53.293.048
Other loans		0	38.781.333
Long-term debt	6	47.337.459	92.074.381
Credit institutions	6	6.000.000	4.000.000
Convertible instruments of debt	6	41.892.667	0
Payables to group enterprises		37.638	37.638
Corporation tax		0	1.766.138
Other payables		38.500	297.945
Short-term debt		47.968.805	6.101.721
Debt		95.306.264	98.176.102
Liabilities and equity		239.882.441	241.198.200
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

Notes to the Financial Statements

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
1 Financial income		
Income from fixed asset investments	6.000.000	3.000.000
Interest received from group enterprises	<u>64.186</u>	<u>61.868</u>
	<u>6.064.186</u>	<u>3.061.868</u>
2 Financial expenses		
Interest expenses	<u>5.523.450</u>	<u>5.665.094</u>
	<u>5.523.450</u>	<u>5.665.094</u>
3 Tax on profit/loss for the year		
Current tax for the year	-1.377.671	-5.269.412
Deferred tax for the year	715.967	-203.746
Adjustment of deferred tax concerning previous years	<u>-44.813</u>	<u>2.083.649</u>
	<u>-706.517</u>	<u>-3.389.509</u>

Notes to the Financial Statements

	2015/16 DKK	2014/15 DKK
4 Investments in subsidiaries		
Cost at 1 May	234.119.004	234.119.004
Cost at 30 April	234.119.004	234.119.004
Value adjustments at 1 May	0	0
Value adjustments at 30 April	0	0
Carrying amount at 30 April	234.119.004	234.119.004

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
DPA Microphones A/S	Allerød, Danmark	TDKK 1.040	100%	49.152	23.299

5 Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity at 1 May	200.000	142.822.098	0	143.022.098
Net profit/loss for the year	0	-68.784.997	70.000.000	1.215.003
Equity at 30 April	200.000	74.037.101	70.000.000	144.237.101

In 2013 the share capital was increased with a nominal value of DKK 100.000.

The share capital consists of 2.000 shares of a nominal value of DKK 100. No shares carry any special right.

Notes to the Financial Statements

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2015/16</u> DKK	<u>2014/15</u> DKK
Credit Institutions		
Between 1 and 5 years	<u>47.337.459</u>	<u>53.293.048</u>
Long-term part	47.337.459	53.293.048
Within 1 year	<u>6.000.000</u>	<u>4.000.000</u>
	<u>53.337.459</u>	<u>57.293.048</u>
Other loans		
After 5 years	<u>0</u>	<u>38.781.333</u>
Long-term part	0	38.781.333
Within 1 year	<u>41.892.667</u>	<u>0</u>
	<u>41.892.667</u>	<u>38.781.333</u>

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

RE Microphones ApS is jointly taxed with the group companies and acts as management company for joint tax purposes. The group companies are jointly and severally liable for tax on the Group's jointly taxed income.

Notes to the Financial Statements

8 Related parties and ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

RE Microphones Holding ApS, Gydevang 42, 3450 Allerød

The company is part of the group financial statements of RE Microphones Holding ApS.

Accounting Policies

Basis of Preparation

The Annual Report of RE Microphones ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015/16 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of RE Microphones Holding ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Financial assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as ,loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.