

# **TTI Electronics Denmark ApS**

Engager 2 - 4

2605 Brøndby

CVR No. 25510259

## **Annual Report 2016**

16. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 20 June 2017

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Kenneth Koch  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of TTI Electronics Denmark ApS for the financial year 1 January 2016 - 31 December 2016.

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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

Brøndby, 20 June 2017

### Executive Board

Kenneth Koch  
Manager

### Supervisory Board

Kenneth Koch  
Manager

Christopher H. Goodman

## Independent Auditor's Report

### To the shareholders of TTI Electronics Denmark ApS

#### Opinion

We have audited the financial statements of TTI Electronics Denmark ApS for the financial year 1. januar 2016 - 31. december 2016, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31. december 2016 and of the results of its operations for the financial year 1. januar 2016 - 31. december 2016 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

#### Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

#### 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

## **Independent Auditor's Report**

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Søborg, 20 June 2017

**inforevision**

**Statsautoriseret Revisionsaktieselskab**

CVR-no. 19263096

Sten Pedersen

State Authorised Public Accountant

## TTI Electronics Denmark ApS

### Company details

<b>Company</b>	TTI Electronics Denmark ApS Engager 2 - 4 2605 Brøndby
CVR No.	25510259
Date of formation	1 July 2000
Registered office	Brøndby
Financial year	1 January 2016 - 31 December 2016
<b>Supervisory Board</b>	Kenneth Koch, Manager Christopher H. Goodman
<b>Executive Board</b>	Kenneth Koch, Manager
<b>Auditors</b>	inforevision Statsautoriseret Revisionsaktieselskab Buddingevej 312 2860 Søborg CVR-no.: 19263096

TTI Electronics Denmark ApS

## Management's Review

### **The Company's principal activities**

The Company's principal activities comprises trading in passive components and inter-connects

## **Accounting Policies**

### **Reporting Class**

The Annual Report of TTI Electronics Denmark ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Transactions in foreign currencies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## **General Information**

### **Recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

The accounting value of Intangible and tangible assets are examined on a yearly basis to determine if there are any indications of impairment, other than what has been declared by regular depreciations. If this is the case, an impairment will be done to the lowest recuperation value.



## Accounting Policies

### Income Statement

#### Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

#### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

#### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

#### Depreciation and amortization of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Other fixtures and fittings, tools and equipment	4 years	0%

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The company is under the Danish Coporation Tax Act. section 2 A from 1 January 2015. According to the Danish Financial Statements Act. the company shall include conditions which is reality instead of formalities which is why the tax is included in the Financial Statement for the company.

## Accounting Policies

### Balance Sheet

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

The company is under the Danish Corporation Tax Act, section 2 A from 1 January 2015. The company has chosen to pay the calculated tax for their mother company which is why the calculated tax is included in the Financial Statement as a tax liability.

#### Other payables

Other payables are measured at amortised cost which usually corresponds to the nominal value.

#### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2016 kr.	2015 kr.
Commissions		8.014.126	9.112.112
Other operating income		9.109	0
Other external expenses		-1.615.992	-1.466.247
<b>Gross profit/loss</b>		<b>6.407.243</b>	<b>7.645.865</b>
Employee benefits expense	1	-5.818.371	-6.436.476
Depreciation and impairment of Property, plant and equipment assets		-5.969	-4.840
<b>Operating profit</b>		<b>582.903</b>	<b>1.204.549</b>
Finance income		1.242	678
Other finance expenses		-2.404	-4.457
<b>Profit from ordinary activities before tax</b>		<b>581.741</b>	<b>1.200.770</b>
Tax expense on ordinary activities		-129.118	-291.094
<b>Profit</b>		<b>452.623</b>	<b>909.676</b>
<b>Distribution of profit</b>			
Retained earnings		452.623	909.676
		<b>452.623</b>	<b>909.676</b>

## Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
<b>Assets</b>			
Fixtures, fittings, tools and equipment		8.008	13.972
<b>Property, plant and equipment</b>		<b>8.008</b>	<b>13.972</b>
Deposits, investments		142.972	143.139
<b>Investments</b>		<b>142.972</b>	<b>143.139</b>
<b>Fixed assets</b>		<b>150.980</b>	<b>157.111</b>
Short-term receivables from group enterprises		31.878.320	30.426.411
Short-term tax receivables		570.960	572.906
Other short-term receivables		95.599	58.400
Deferred income		29.779	41.781
<b>Receivables</b>		<b>32.574.658</b>	<b>31.099.498</b>
<b>Cash and cash equivalents</b>		<b>721.869</b>	<b>1.817.173</b>
<b>Current assets</b>		<b>33.296.527</b>	<b>32.916.671</b>
<b>Assets</b>		<b>33.447.507</b>	<b>33.073.782</b>

**Balance Sheet as of 31. December**

	Note	2016 kr.	2015 kr.
<b>Liabilities and equity</b>			
Contributed capital		125.000	125.000
Retained earnings		32.141.824	31.809.670
<b>Equity</b>		<b>32.266.824</b>	<b>31.934.670</b>
Trade payables		177.616	92.699
Tax payables		129.329	0
Other payables		873.738	1.046.413
<b>Short-term liabilities other than provisions</b>		<b>1.180.683</b>	<b>1.139.112</b>
<b>Liabilities other than provisions within the business</b>		<b>1.180.683</b>	<b>1.139.112</b>
<b>Liabilities and equity</b>		<b>33.447.507</b>	<b>33.073.782</b>
Related parties	2		
Contingent liabilities	3		

**Notes**

	<b>2016</b>	<b>2015</b>
<b>1. Employee benefits expense</b>		
Wages and salaries	5.446.797	5.983.323
Post-employment benefit expense	329.537	344.452
Social security contributions	42.037	108.701
	<u><b>5.818.371</b></u>	<u><b>6.436.476</b></u>
Average number of employees	<u>11</u>	<u>10</u>

**2. Related parties**

TTI Denmark's financials are included in the consolidated financials of TTI, Inc; 2441 Northeast Parkway, Fort Worth, Texas, USA.

**3. Contingent liabilities**

Leasing obligation: DKK 65.698

The company has not undertaken other further liabilities, excess of liabilities pursuant to its ordinary business. exist at the balance sheet date.