TTI Electronics Denmark ApS

Engager 2 - 4

2605 Brøndby

CVR No. 25510259

Annual Report 2015

15. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 9 January 2017

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Kenneth Koch
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of TTI Electronics Denmark ApS for the financial year 1 January 2015 - 31 December 2015.

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

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

Brøndby, 9 January 2017

Executive Board

Kenneth Koch
Manager

Supervisory Board

Kenneth Koch

Independent Auditor's Report

To the shareholders of TTI Electronics Denmark ApS

Report on the Financial Statements

We have audited the Financial Statements of TTI Electronics Denmark ApS for the financial year 1 January 2015 - 31 December 2015 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, 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 have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

In our opinion, 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 qualifications.

Opinion

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Søborg, 9 January 2017

inforevision
Statsautoriseret Revisionsaktieselskab
CVR-nr. 19263096

Sten Pedersen
State Authorised Public Accountant

Company details

Company	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 2015 - 31 December 2015
Supervisory Board	Kenneth Koch
Executive Board	Kenneth Koch, Manager
Auditors	inforevision Statsautoriseret Revisionsaktieselskab Buddingevej 312 2860 Søborg CVR-no.: 19263096

Accounting Policies

Reporting Class
The Annual Report of TTI Electronics Denmark ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Changed accounting policies, estimates and errors
Accounting policies has been changed as follows:

From 1 January 2015 the company is under the Danish Coporation Tax Act. section 2 A. This means that the company tax is included in the Financial Statement for the Danish company despite the fact that the parent company is now taxable to Denmark.

Apart from this, accounting policies 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:

	Useful life	Residual value
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.

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

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 Coporation 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.

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

Income Statement

	Note	2015 kr.	2014 kr.
Commissions		9.112.112	14.348.129
Other external expenses		-1.466.247	-1.449.160
Gross profit/loss		**7.645.865**	**12.898.969**
Employee benefits expense	1	-6.436.476	-6.205.277
Depreciation and impairment of Property, plant and equipment assets		-4.840	-2.542
Operating profit		**1.204.549**	**6.691.150**
Finance income		678	5
Finance expences		-4.457	-74.601
Profit from ordinary activities before tax		**1.200.770**	**6.616.554**
Tax expense on ordinary activities		-291.094	-1.645.714
Profit		**909.676**	**4.970.840**
Distribution of profit			
Retained earnings		909.676	4.970.840
		909.676	**4.970.840**

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Assets			
Fixtures, fittings, tools and equipment		13.972	5.045
Property, plant and equipment		**13.972**	**5.045**
Deposits, investments		143.139	142.777
Investments		**143.139**	**142.777**
Fixed assets		**157.111**	**147.822**
Short-term receivables from group enterprises		30.426.411	31.437.510
Short-term tax receivables		572.906	0
Other short-term receivables		58.400	144.978
Deferred income		41.781	28.928
Receivables		**31.099.498**	**31.611.416**
Cash and cash equivalents		**1.817.173**	**1.112.432**
Current assets		**32.916.671**	**32.723.848**
Assets		**33.073.782**	**32.871.670**

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Liabilities and equity			
Contributed capital	2	125.000	125.000
Retained earnings	3	31.809.670	30.815.944
Equity		**31.934.670**	**30.940.944**
Trade payables		92.699	107.173
Tax payables		0	784.201
Other payables		1.046.413	1.039.352
Short-term liabilities other than provisions		**1.139.112**	**1.930.726**
Liabilities other than provisions within the business		**1.139.112**	**1.930.726**
Liabilities and equity		**33.073.782**	**32.871.670**

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Notes

	2015	2014

1. Employee benefits expense

	2015	2014
Wages and salaries	5.983.323	5.796.264
Post-employement benefit expense	344.452	312.253
Social security contributions	108.701	96.760
	6.436.476	**6.205.277**

2. Contributed capital

	2015	2014
Balance at the beginning of the year	125.000	125.000
Balance at the end of the year	**125.000**	**125.000**

The capital stock comprises 200 shares of DKK 1.000 each or multiples hereof.

The share capital has remained unchanged for the last 5 years.

3. Retained earnings

	2015	2014
Balance at the beginning of the year	30.815.944	25.902.120
Correction at the beginning of the year	10.358	0
Additions during the year	909.676	4.970.840
Exchange rate corrections end of the year	73.692	-57.016
Balance at the end of the year	**31.809.670**	**30.815.944**

4. The Company's principal activities

The company's primary activity comprises trading in passive components and inter-connects.

5. Related parties

TTI Denmark's financials are included in the consolidated financials of TTI, Inc. in the U.S..

6. Contingent liabilities

Leasing obligation: DKK 270.260.

The company has not undertaken other further liabilities, excess of liabilities pursuant to its ordinary business.