

TTI Electronics Denmark ApS

Ringager 4 C, st.

2605 Brøndby

CVR No. 25510259

Annual Report 2019

19. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 22 May 2020

Thomas William Heilbuth
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 2019 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

In our opinion, the 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.

Brøndby, 22 May 2020

Executive Board

Lars Håkan Dahlström
Manager

Supervisory Board

Christopher H. Goodman

Thomas William Heilbuth

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 January 2019 - 31 December 2019, 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 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 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.

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 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.

Independent Auditor's Report

- * 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.

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.

Søborg, 22 May 2020

inforevision

Statsautoriseret Revisionsaktieselskab

CVR-no. 19263096

Sten Pedersen

State Authorised Public Accountant

mne23408

Management's Review

The Company's principal activities

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

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK 790.158 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 36.006.542 and an equity of DKK 34.155.924.

Accounting Policies

Reporting Class

The Annual Report of TTI Electronics Denmark ApS for 2019 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.

Translation policies

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.

Income Statement

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Other external expenses

Other external expenses include costs for sales and administration.

Employee benefits expense

Employee benefits expenses comprise wages, salaries, pensions and social security costs.

Other employee benefits expenses are recognised in other external expenses.

Amortisation and impairment 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
Fixtures and fittings, tools and equipment	4 years	0%

Property, plant and equipment in progress and prepayments for property, plant and equipment is not amortised.

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 based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies.

Accounting Policies

Tax on net profit 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 and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Deposits

Deposits are measured at cost.

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.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

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.

Payables

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	2019 kr.	2018 kr.
Commissions		12.574.327	8.475.945
Other external expenses		-4.276.066	-2.078.663
Gross result		8.298.261	6.397.282
Employee benefits expense	1	-7.063.282	-5.710.027
Depreciation and impairment of Property, plant and equipment assets		-18.879	-21.185
Profit from ordinary operating activities		1.216.100	666.070
Other finance income		12.260	101.480
Other finance expenses		-14.158	-6.225
Profit from ordinary activities before tax		1.214.202	761.325
Tax expense on ordinary activities	2	-424.044	-175.252
Profit		790.158	586.073
Distribution of profit			
Retained earnings		790.158	586.073
Distribution of profit		790.158	586.073

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Fixtures, fittings, tools and equipment		28.376	47.255
Property, plant and equipment in progress and prepayments for property, plant and equipment		93.080	0
Property, plant and equipment		121.456	47.255
Deposits, investments		183.180	110.377
Investments		183.180	110.377
Fixed assets		304.636	157.632
Leasing receivables		47.331	0
Short-term receivables from group enterprises		32.797.630	33.991.352
Other short-term receivables		156.730	98.813
Deferred income		63.302	37.167
Receivables		33.064.993	34.127.332
Cash and cash equivalents		2.636.913	640.030
Current assets		35.701.906	34.767.362
Assets		36.006.542	34.924.994

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		125.000	125.000
Retained earnings		34.030.924	33.240.766
Equity		34.155.924	33.365.766
Other payables		295.059	0
Long-term liabilities other than provisions	3	295.059	0
Trade payables		212.512	199.246
Tax payables to group enterprises		280.928	221.769
Other payables		993.622	1.095.053
Deferred income, liabilities		68.497	43.160
Short-term liabilities other than provisions		1.555.559	1.559.228
Liabilities other than provisions within the business		1.850.618	1.559.228
Liabilities and equity		36.006.542	34.924.994
Contingent liabilities	4		
Collaterals and assets pledges as security	5		
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Notes

	2019	2018
1. Employee benefits expense		
Wages and salaries	6.480.203	5.329.223
Post-employment benefit expense	469.248	296.157
Social security contributions	113.831	84.647
	7.063.282	5.710.027
Average number of employees	13	12
2. Tax expense		
Company income tax	246.828	175.252
Adjustment of previous years tax	143.116	0
	389.944	175.252
3. Long-term liabilities		
	Due	Due
	after 1 year	after 5 years
Other payables	295.059	0
	295.059	0

4. Contingent liabilities

The company has leasing obligation of DKK 115.263,52

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

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of CTB Denmark Holding ApS which is the administration company in the joint taxation.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

6. Related parties

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