

Qorvo Denmark ApS

Bejlerholm 1
9400 Nørresundby

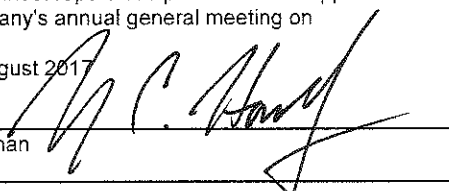
CVR no. 25 55 91 77

Annual report 2016/17

The annual report was presented and approved at the
Company's annual general meeting on

28 August 2017

chairman

A handwritten signature in black ink, appearing to be 'A.C. Hansen', written over a horizontal line. The signature is stylized and cursive.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Qorvo Denmark ApS for the financial year 1 April 2016 – 31 March 2017.


The annual report has been 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 assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 – 31 March 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

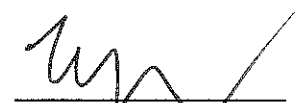
We recommend that the annual report be approved at the annual general meeting.

Nørresundby 25 August 2017
Executive Board:



Mark J. Murphy
Board of Directors.

Jeffrey C. Howland
Chairman

David Allen Youngdahl

Mark J. Murphy



Independent auditor's report

To the shareholders of Qorvo Denmark ApS

Opinion

We have audited the financial statements of Qorvo Denmark ApS for the financial year 1 April 2016 – 31 March 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 – 31 March 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and 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 that 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 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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 Company'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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.



Independent auditor's report

Statement on the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 25 August 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant

Qorvo Denmark ApS
Annual report 2016/17
CVR no. 25 55 91 77

Management's review

Company details

Qorvo Denmark ApS
Bejlerholm 1
9400 Nørresundby

CVR no.: 25 55 91 77
Established: 15 August 2000
Registered office: Aalborg
Financial year: 1 April – 31 March

Board of Directors

Jeffrey C. Howland, Chairman
David Allen Youngdahl
Mark J. Murphy

Executive Board

Mark J. Murphy

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
9000 Aalborg

Annual general meeting

The annual general meeting will be held on 28 August 2017.

Management's review

Operating review

Principal activities

Qorvo Denmark ApS is engaged in the design, development and marketing of circuits for wireless products.

The Company has a branch in Sweden.

Development in activities and financial position

Profit for the year came in at DKK 1,907,971 as against DKK 1,883,569 in 2015/16. Profit for 2016/17 is considered satisfactory.

Outlook

For the 2017/18 financial year, gross profit and profit are expected to be in line with 2016/17.

Events after the balance sheet date

No extraordinary events have occurred after the balance sheet date.

Financial statements 1 April – 31 March

Income statement

DKK	Note	2016/17	2015/16
Gross profit		21,474,465	18,449,962
Staff costs	2	-17,759,990	-14,523,495
Depreciation and amortisation	3	-1,284,143	-1,573,000
Operating profit		2,430,332	2,353,467
Financial income	4	236,965	200,969
Financial expenses		-48,276	-41,708
Profit before tax		2,619,021	2,512,728
Tax on profit for the year	5	-711,050	-629,159
Profit for the year		1,907,971	1,883,569
Proposed profit appropriation			
Retained earnings		1,907,971	1,883,569
		1,907,971	1,883,569

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2016/17	2015/16
ASSETS			
Fixed assets			
Intangible assets			
Acquired patents		0	30,697
		0	30,697
Property, plant and equipment			
Property, plant and equipment in progress		1,891,917	2,997,307
		1,891,917	2,997,307
Investments			
Other receivables		563,387	563,387
		563,387	563,387
Total fixed assets		2,455,304	3,591,391
Current assets			
Receivables			
Receivables from group entities	6	16,707,459	16,203,313
Other receivables		333,890	268,407
Deferred tax asset		162,339	72,659
Prepayments		0	151,691
		17,203,688	16,696,070
Cash at bank and in hand		5,633,986	2,132,820
Total current assets		22,837,674	18,828,890
TOTAL ASSETS		25,292,978	22,420,281

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital		149,007	149,007
Retained earnings		21,923,241	19,980,016
Total equity		<u>22,072,248</u>	<u>20,129,023</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		66,669	28,315
Payables to group entities		232,285	203,429
Corporation tax		341,269	456,282
Other payables		2,580,507	1,603,232
		<u>3,220,730</u>	<u>2,291,258</u>
Total liabilities other than provisions		<u>3,220,730</u>	<u>2,291,258</u>
TOTAL EQUITY AND LIABILITIES		<u><u>25,292,978</u></u>	<u><u>22,420,281</u></u>

Financial statements 1 April – 31 March

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 April 2016	149,007	19,980,016	20,129,023
Foreign exchange adjustment, acquired patents	0	35,254	35,254
Transferred over the profit appropriation	0	1,907,971	1,907,971
Equity at 31 March 2017	149,007	21,923,241	22,072,248

There have been no changes in the share capital during the last five years.

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Qorvo Denmark ApS for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-ins from higher reporting classes.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place and that the income can be reliably measured and is expected to be received.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Other external costs

Other external costs comprise costs incurred during the year for administration, development and distribution, including office premises and office expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and interest expense as well as realised and unrealised gains in foreign currencies.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The acquired intangible assets consist of acquired software rights and are amortised on a straight-line basis.

The estimated useful lives are as follow:

Acquired intangible assets	3 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-7 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses based on an individual assessment of receivables.

Equity

Dividends

Proposed dividends are recognised as a liability on the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item in equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 April – 31 March

Notes

DKK	<u>2016/17</u>	<u>2015/16</u>
2 Staff costs		
Wages and salaries	15,667,746	12,913,356
Pensions	1,458,210	1,216,928
Other social security costs	634,034	393,211
	<u>17,759,990</u>	<u>14,523,495</u>
Average number of full-time employees	<u>17</u>	<u>14</u>
3 Depreciation and amortisation		
Intangible assets	30,697	188,450
Property, plant and equipment	1,253,446	1,330,454
Gains/losses on disposals	0	54,096
	<u>1,284,143</u>	<u>1,573,000</u>
4 Financial income		
Interest income from group entities	227,451	200,969
Foreign exchange gains	9,514	0
	<u>236,965</u>	<u>200,969</u>
5 Tax on profit for the year		
Current tax for the year	698,987	668,607
Adjustment of deferred tax for the year	-89,679	-99,807
Adjustment in respect of previous years	101,742	60,359
	<u>711,050</u>	<u>629,159</u>
6 Receivables from group entities		
Out of the intercompany receivable, an amount of DKK 14,304 thousand falls due after one year (2015/16: 10,855 thousand).		
7 Contractual obligations, contingencies, etc.		
Contractual obligations		
At the balance sheet date, yearly rental obligations amounted to DKK 135 thousand for the period of interminability.		
8 Collaterals		
The Company has provided bank guarantees at an amount of DKK 508 thousand regarding rental obligations.		