

Rohde & Schwarz Technology Center A/S

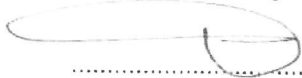
Gasværksvej 26, 9000 Aalborg

CVR no. 25 79 92 08

Annual report 2022/23

Approved at the Company's annual general meeting on 13 October 2023

Chair of the meeting:



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Mario Paoli

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Rohde & Schwarz Technology Center A/S for the financial year 1 July 2022 - 30 June 2023.

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 of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023.

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.

Aalborg, 13 October 2023
Executive Board:



Kjeld Aggerholm

Board of Directors:



Christoph Pointner
Chairman

Ole Krøg Larsen

Niels Frandsen

Independent auditor's report

To the shareholder of Rohde & Schwarz Technology Center A/S

Opinion

We have audited the financial statements of Rohde & Schwarz Technology Center A/S for the financial year 1 July 2022 - 30 June 2023, which comprise 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 financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities 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 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.

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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of the 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 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.

Independent auditor's report

- 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

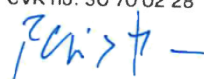
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Copenhagen, 13 October 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Robert Christensen
State Authorised Public Accountant
mne16653

Management's review

Company details

Name	Rohde & Schwarz Technology Center A/S
Address, Postal code, City	Gasværksvej 26, 9000 Aalborg
CVR no.	25 79 92 08
Established	13 December 2000
Registered office	Aalborg
Financial year	1 July 2022 - 30 June 2023
Website	www.rohde-schwarz.dk
E-mail	contact.tcdk@rohde-schwarz.com
Telephone	+45 96 73 88 88
Board of Directors	Christoph Pointner, Chairman Ole Krøg Larsen Niels Frandsen
Executive Board	Kjeld Aggerholm
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Like the previous year, the main activity of the company has been development of electronic test and measuring instruments for the telecommunication industry.

The output of the company is mainly purchased by the parent company.

Financial review

The income statement for 2022/23 shows a profit of DKK 1,621 thousand against a loss of DKK 1,824 thousand last year, and the balance sheet at 30 June 2023 shows equity of DKK 13,458 thousand.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 July 2022 - 30 June 2023

Income statement

Note	DKK'000	2022/23	2021/22
	Gross profit	54,338	48,520
2	Staff costs	-48,268	-42,506
	Amortisation/depreciation of property, plant and equipment	-3,142	-3,306
	Profit before net financials	2,928	2,708
	Financial income	111	21
	Financial expenses	-64	-24
	Profit before tax	2,975	2,705
3	Tax for the year	-1,354	-4,529
	Profit/loss for the year	1,621	-1,824
	Recommended appropriation of profit/loss		
	Extraordinary dividend distributed in the year	0	10,000
	Retained earnings/accumulated loss	1,621	-11,824
		1,621	-1,824

Financial statements 1 July 2022 - 30 June 2023

Balance sheet

Note	DKK'000	2022/23	2021/22
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	6,842	6,419
	Leasehold improvements	536	689
		<u>7,378</u>	<u>7,108</u>
5	Investments		
	Deposits, investments	1,027	979
		<u>1,027</u>	<u>979</u>
	Total fixed assets	<u>8,405</u>	<u>8,087</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	10,423	7,623
	Deferred tax assets	259	202
	Other receivables	183	223
	Prepayments	83	179
		<u>10,948</u>	<u>8,227</u>
	Cash	1,124	1,394
	Total non-fixed assets	<u>12,072</u>	<u>9,621</u>
	TOTAL ASSETS	<u>20,477</u>	<u>17,708</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	506	506
	Retained earnings	12,952	11,331
	Total equity	<u>13,458</u>	<u>11,837</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	298	128
	Payables to group entities	1,504	679
	Joint taxation contribution payable	1,011	1,386
	Other payables	4,206	3,678
		<u>7,019</u>	<u>5,871</u>
	Total liabilities other than provisions	<u>7,019</u>	<u>5,871</u>
	TOTAL EQUITY AND LIABILITIES	<u>20,477</u>	<u>17,708</u>

- 1 Accounting policies
6 Contractual obligations and contingencies, etc.
7 Related parties

Financial statements 1 July 2022 - 30 June 2023

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 July 2021	506	23,155	23,661
Transfer through appropriation of loss	0	-1,824	-1,824
Extraordinary dividend distributed	0	-10,000	-10,000
Equity at 1 July 2022	506	11,331	11,837
Transfer through appropriation of profit	0	1,621	1,621
Equity at 30 June 2023	506	12,952	13,458

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies

The annual report of Rohde & Schwarz Technology Center A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	6 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments

Financial assets concerning paid rent deposit.

Impairment of fixed assets

The carrying amount of financial assets, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are included in the balance sheet at nominal value reduced by a provision for losses. The provision for losses is based on an individual assessment of the individual outstanding amounts.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Liabilities are measured at net realisable value.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

	DKK'000		2022/23	2021/22
2	Staff costs			
	Wages/salaries		47,064	41,371
	Pensions		988	866
	Other social security costs		216	269
			<u>48,268</u>	<u>42,506</u>
	Average number of full-time employees		<u>55</u>	<u>51</u>
3	Tax for the year			
	Estimated tax charge for the year		1,104	664
	Deferred tax adjustments in the year		-57	-89
	Tax adjustments, prior years		307	3,954
			<u>1,354</u>	<u>4,529</u>
4	Property, plant and equipment			
	DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	Cost at 1 July 2022	34,032	2,560	36,592
	Additions in the year	3,380	95	3,475
	Disposals in the year	-298	0	-298
	Cost at 30 June 2023	<u>37,114</u>	<u>2,655</u>	<u>39,769</u>
	Impairment losses and depreciation at 1 July 2022	27,613	1,871	29,484
	Amortisation/depreciation in the year	2,893	248	3,141
	Reversal of amortisation/depreciation and impairment of disposals	-234	0	-234
	Impairment losses and depreciation at 30 June 2023	<u>30,272</u>	<u>2,119</u>	<u>32,391</u>
	Carrying amount at 30 June 2023	<u>6,842</u>	<u>536</u>	<u>7,378</u>
5	Investments			
	DKK'000			Deposits, investments
	Cost at 1 July 2022			979
	Additions in the year			48
	Cost at 30 June 2023			<u>1,027</u>
	Carrying amount at 30 June 2023			<u>1,027</u>

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company was audited by the Danish tax authorities during 2021 for the income years 2015-2019 and the Danish tax authorities decided to increase the mark-up applied, which resulted in income increases for these years. The company did not agree with the proposed income increases. Following discussions with the Danish Tax Agency, the tax case was closed after the end of the financial year and a total of 307 t.kr was expensed as a consequence. The cost covers the period 2015-2022.

The Company is jointly taxed with Rohde & Schwarz Danmark A/S (management company) and is jointly and severally liable with the jointly taxed group entities for payment of income taxes etc.

Other financial obligations

The company has a rent agreement in force until 31 December 2023. Residual payments amounts to 1,027 t.DKK at 30 June 2023.

7 Related parties

Rohde & Schwarz Technology Center A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Rusa Rohde & Schwarz Anlagen GmbH	Munich, Germany	Participating interest
Rohde & Schwarz GmbH & Co. KG	Munich, Germany	Ultimate ownership

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Rohde & Schwarz GmbH & Co. KG	Munich, Germany