
Litepoint Europe A/S

Alfred Nobels Vej 27, DK-9220 Aalborg Øst

Annual Report for 1 January - 31 December 2020

CVR No 29 61 80 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
8 /7 2021

Carsten Palsgaard
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Litepoint Europe A/S for the financial year 1 January - 31 December 2020.

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 at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, 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.

Aalborg, 8 July 2021

Executive Board

Jens Jungersen
Executive Officer

Board of Directors

Michael Dennis Callahan

Charles Jeffrey Gray

Bradford Bigelow Robbins

Independent Auditor's Report

To the Shareholder of Litepoint Europe A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Litepoint Europe A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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 about 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 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 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

Independent Auditor's Report

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.

Odense, 8 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen
State Authorised Public Accountant
mne23318

Anders Kronborg Choy
State Authorised Public Accountant
mne44142

Company Information

The Company

Litepoint Europe A/S
Alfred Nobels Vej 27
DK-9220 Aalborg Øst

CVR No: 29 61 80 46

Financial period: 1 January - 31 December

Municipality of reg. office: Aalborg

Board of Directors

Michael Dennis Callahan
Charles Jeffrey Gray
Bradford Bigelow Robbins

Executive Board

Jens Jungersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Management's Review

Key activities

The company's main activity is to trade and test wireless communications equipment.

Development in the year

The income statement of the Company for 2020 shows a profit of DKK 1,865,258, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 11,183,867.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		21.165.541	14.824.268
Staff expenses	1	-17.321.614	-12.473.454
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-657.690	-322.499
Profit/loss before financial income and expenses		3.186.237	2.028.315
Financial income		3.773	87.708
Financial expenses		-647.603	-132.900
Profit/loss before tax		2.542.407	1.983.123
Tax on profit/loss for the year	2	-677.149	-532.269
Net profit/loss for the year		1.865.258	1.450.854

Distribution of profit

Proposed distribution of profit

Retained earnings	1.865.258	1.450.854
	1.865.258	1.450.854

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Acquired licenses		0	0
Intangible assets	3	0	0
Land and buildings		1.347.907	210.264
Other fixtures and fittings, tools and equipment		302.268	0
Leasehold improvements		235.976	0
Property, plant and equipment in progress		0	11.427
Property, plant and equipment	4	1.886.151	221.691
Deposits		266.272	141.639
Fixed asset investments	5	266.272	141.639
Fixed assets		2.152.423	363.330
Trade receivables		12.070.683	5.772.517
Other receivables		165.884	187.085
Deferred tax asset		6.701	92.848
Prepayments		19.359	14.388
Receivables		12.262.627	6.066.838
Cash at bank and in hand		12.658.653	10.061.711
Currents assets		24.921.280	16.128.549
Assets		27.073.703	16.491.879

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		500.000	500.000
Retained earnings		10.683.867	8.818.608
Equity		11.183.867	9.318.608
Lease obligations		585.753	210.595
Other payables		596.524	146.244
Long-term debt	6	1.182.277	356.839
Credit institutions		10.191	14.889
Lease obligations	6	701.537	0
Trade payables		19.889	125.836
Payables to group enterprises		9.845.832	4.002.031
Corporation tax		215.891	151.538
Other payables	6	3.914.219	2.522.138
Short-term debt		14.707.559	6.816.432
Debt		15.889.836	7.173.271
Liabilities and equity		27.073.703	16.491.879
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	500.000	8.818.609	9.318.609
Net profit/loss for the year	0	1.865.258	1.865.258
Equity at 31 December	500.000	10.683.867	11.183.867

Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK
1 Staff expenses		
Wages and salaries	14.815.368	10.819.115
Pensions	404.276	367.782
Other social security expenses	28.989	32.348
Other staff expenses	<u>2.072.981</u>	<u>1.254.209</u>
	<u>17.321.614</u>	<u>12.473.454</u>
Average number of employees	<u>14</u>	<u>11</u>
2 Tax on profit/loss for the year		
Current tax for the year	591.002	448.133
Deferred tax for the year	<u>86.147</u>	<u>84.136</u>
	<u>677.149</u>	<u>532.269</u>
3 Intangible assets		Acquired licenses <u>DKK</u>
Cost at 1 January		<u>2.599.497</u>
Cost at 31 December		<u>2.599.497</u>
Impairment losses and amortisation at 1 January		<u>2.599.497</u>
Impairment losses and amortisation at 31 December		<u>2.599.497</u>
Carrying amount at 31 December		<u>0</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	526.134	283.947	42.024	11.427	863.532
Additions for the year	1.733.026	301.548	287.576	0	2.322.150
Transfers for the year	0	11.427	0	-11.427	0
Cost at 31 December	<u>2.259.160</u>	<u>596.922</u>	<u>329.600</u>	<u>0</u>	<u>3.185.682</u>
Impairment losses and depreciation at 1 January	315.870	283.947	42.024	0	641.841
Depreciation for the year	<u>595.383</u>	<u>10.707</u>	<u>51.600</u>	<u>0</u>	<u>657.690</u>
Impairment losses and depreciation at 31 December	<u>911.253</u>	<u>294.654</u>	<u>93.624</u>	<u>0</u>	<u>1.299.531</u>
Carrying amount at 31 December	<u>1.347.907</u>	<u>302.268</u>	<u>235.976</u>	<u>0</u>	<u>1.886.151</u>
Including assets under finance leases amounting to	<u>1.347.907</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.347.907</u>

5 Fixed asset investments

	Deposits DKK
Cost at 1 January	141.639
Additions for the year	<u>124.633</u>
Cost at 31 December	<u>266.272</u>
Carrying amount at 31 December	<u>266.272</u>

Notes to the Financial Statements

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Lease obligations		
Between 1 and 5 years	585.753	210.595
Long-term part	585.753	210.595
Within 1 year	701.537	0
	<u>1.287.290</u>	<u>210.595</u>
Other payables		
Between 1 and 5 years	596.524	146.244
Long-term part	596.524	146.244
Other short-term payables	3.914.219	2.522.138
	<u>4.510.743</u>	<u>2.668.382</u>

The holiday pay obligation included in "Other payables" is carrying interest.

7 Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Teradyne Holdings Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

8 Related parties

	<u>Basis</u>
Controlling interest	
LitePoint Corporation	Holds the majority of the share capital
Consolidated Financial Statements	
<u>Name</u>	<u>Place of registered office</u>
LitePoint Corporation	USA
Teradyne Inc.	USA

The Group Annual Report of LitePoint Corporation and Teradyne Inc. may be obtained by contacting the company.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Litepoint Europe A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

As of 1 January 2019 LitePoint Denmark A/S has adopted IFRS 16 'Leases' with effect from 1 January 2019. IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

The Company has used the modified retrospective approach to implement the standard and the comparative figures have not been restated. The cumulative effect of applying the standard has been recognised as of 1 January 2019. At initial recognition, right-of-use assets are measured at an amount equal to the lease liability, which is measured at the present value of future lease payments.

Notes to the Financial Statements

9 Accounting Policies (continued)

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. Based on the contract the right-of-use asset and the lease liability is recognized at commencement of the lease. The initial measurement of the right-of-use asset is at cost and comprises the initial value of the lease liability and lease payments made at or before the commencement date. The right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term or the useful life of the underlying asset. The carrying amounts are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

The lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date. Lease payments include fixed payments and variable payments that depend on an index such as an inflation index as well as lease payments from an extension option that the Company considers reasonably certain to be exercised.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue is recognised and measured in accordance with IFRS 15. Revenue from the sale of goods is recognised when the Company has fulfilled its performance obligations, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company. Revenue is measured as the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

9 Accounting Policies (continued)

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

9 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	2-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

9 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.