

Polycom (Copenhagen) ApS

c/o Gorrissen Federspiel
Silkeborgvej 2
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CVR No. 34617848

Annual Report

1 January 2018 - 31 March 2019

7. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 August 2019

Bartus de Vries
Chairman

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Polycom (Copenhagen) ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Polycom (Copenhagen) ApS for the financial year 1 January 2018 - 31 March 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 March 2019 and of the results of the Company's operations for the financial year 1 January 2018 - 31 March 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

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

Aarhus, 30 August 2019

Executive Board

Bartus de Vries

Management's Review

The Company's principal activities

The Company's principal activities consist in marketing, sales, distribution and support services and functions within the telecommunications industry and related business.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 March 2019 shows a result of DKK 590.936 and the Balance Sheet at 31 March 2019 a balance sheet total of DKK 3.983.318 and an equity of DKK 1.344.512.

Accounting Policies

Reporting Class

The Annual Report of Polycom (Copenhagen) ApS for 1/1-2018 - 31/3-2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Change in financial year

The company has changed the financial year. The financial year is from 1 January - 31 March 2019 reporting date is now 31 March 2019. The reorientation of the financial year are due to adjustment to the Group's financial 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.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

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.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the byer 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 costs include costs for distribution, sales and administration.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortisation and impairment of intangible and 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
Goodwill	7 years	0%
Other fixtures and fittings, tools and equipment	3-10 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 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.

Accounting Policies

Balance Sheet

Intangible assets

Acquired goodwill is measured at cost on initial recognition and subsequently at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

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.

Other investments

Other investments 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.

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.

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Accounting Policies

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.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

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Income Statement

	Note	1/1-2018 - 31/3-2019 DKK	1/1-2017 - 31/12-2017 DKK
Gross profit		8.316.978	6.161.596
Employee benefits expense	1	-7.525.796	-5.584.361
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-45.107	-42.478
Profit from ordinary operating activities		746.075	534.757
Other finance income		85.334	4.970
Other finance expenses		-20.805	-129.992
Profit from ordinary activities before tax		810.604	409.735
Tax expense on ordinary activities		-219.668	-127.806
Profit		590.936	281.929
Retained earnings		590.936	281.929
Distribution of profit		590.936	281.929

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Balance Sheet

	Note	31/03 - 2019 DKK	31/12 - 2017 DKK
Assets			
Goodwill		711.535	0
Intangible assets		711.535	0
Fixtures, fittings, tools and equipment		0	18.754
Property, plant and equipment		0	18.754
Deposits, investments		4.000	4.000
Investments		4.000	4.000
Fixed assets		715.535	22.754
Short-term trade receivables		0	9.796
Short-term receivables from group enterprises		871.587	900.187
Current deferred tax		0	12.317
Short-term tax receivables		473.124	0
Other short-term receivables		591.361	6.004
Receivables		1.936.072	928.304
Cash and cash equivalents		1.331.711	1.115.574
Current assets		3.267.783	2.043.878
Assets		3.983.318	2.066.632

Balance Sheet

	Note	31/03 - 2019 DKK	31/12 - 2017 DKK
Liabilities and equity			
Contributed capital		80.000	80.000
Retained earnings		1.264.512	673.576
Equity		1.344.512	753.576
Provisions for deferred tax		5.061	0
Provisions		5.061	0
Trade payables		72.661	79.440
Payables to group enterprises		1.006.054	0
Tax payables		0	119.256
Other payables		1.555.030	1.114.360
Short-term liabilities other than provisions		2.633.745	1.313.056
Liabilities other than provisions within the business		2.633.745	1.313.056
Liabilities and equity		3.983.318	2.066.632
Related parties	2		

Notes

	1/1-2018 - 31/3-2019	1/1-2017 - 31/12-2017
1. Employee benefits expense		
Wages and salaries	7.547.896	5.182.180
Post-employment benefit expense	0	385.885
Social security contributions	-22.100	16.296
	<u>7.525.796</u>	<u>5.584.361</u>
 Average number of employees	 <u>3</u>	 <u>3</u>

2. Related parties

The largest and smallest group, in which these financial statements of the company are consolidated, are those of Plantronics INC. The registered office of Plantronics Inc. is 345 Encinal Street, Santa Cruz, CA 95060, USA.