

Spectralink Communications ApS

Byholm Søpark 21 E
8700 Horsens

CVR no. 34 87 75 99

Annual report for 2018

(6th Financial year)

Adopted at the annual general meeting
on 29 May 2019

Michael Larsen
chairman

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Statement by management on the annual report

The Board of directors and Executive Board have today discussed and approved the annual report of Spectralink Communications ApS for the financial year 1 January - 31 December 2018.

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 Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Horsens, 29 May 2019

Executive board

Douglas Charles Werking

Board of Directors

Casandra Sue Hofmann

Douglas Charles Werking

Michael Larsen

Independent auditor's report

To the shareholder of Spectralink Communications ApS

Opinion

We have audited the financial statements of Spectralink Communications ApS for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under 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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 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 judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- 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 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 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 Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that 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 of management's review.

Hellerup, 29 May 2019

CVR no. 33 25 68 76



Lasse Nørgård
State Authorized Public Accountant
MNE no. mne10675

Company details

The company

Spectralink Communications ApS
Bygholm Søpark 21 E
8700 Horsens

CVR no.: 34 87 75 99

Reporting period: 1 January - 31 December 2018

Incorporated: 4. December 2012

Domicile: Horsens

Board of Directors

Casandra Sue Hofmann
Douglas Charles Werking
Michael Larsen

Executive board

Douglas Charles Werking

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Koncernregnskab

The company is included in the consolidated financial statements of the parent company.

The consolidated financial statements of the parent company may be obtained at the following address:

Spectralink International Corporation
2560 55th Street,
Boulder, Colorado 80301
USA

Management's review

Business activities

The Spectralink Group specialises in the development, production and marketing of corporate wireless data and telecommunications systems distributed all over the world.

Spectralink Communications ApS' solutions are based on open standards and interoperate with most existing and future communications systems. End-users are offered wireless and mobile solutions and are thereby more flexible at work.

Business review

The company's income statement for the year ended 31 December shows a loss of TDKK 20, and the balance sheet at 31 December 2018 shows equity of TDKK 65,778.

The company has prepared an impairment test of the carrying amounts of investment at 31 December 2018. The impairment test showed indications of impairment of DKK 48,992 thousand (2017: DKK 48,992 thousand).

Financial review

Management expects the same result for 2019.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Spectralink Communications ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the onaccount taxation scheme.

Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investment in subsidiaries

Investment in subsidiaries are measured at cost. Where the cost exceeds the net realisable value, the carrying amount is reduced to such lower value.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years 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.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax

Accounting policies

Liabilities

Liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at 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 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 1 January - 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Administrative expenses		<u>-20</u>	<u>-16</u>
Profit/loss before tax		-20	-16
Tax on profit/loss for the year	1	<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>-20</u>	<u>-16</u>
 Proposed distribution of profit			
Retained earnings		<u>-20</u>	<u>-16</u>
		<u>-20</u>	<u>-16</u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Assets			
Investments in subsidiaries	2	<u>65.900</u>	<u>65.900</u>
Fixed asset investments		<u>65.900</u>	<u>65.900</u>
Total non-current assets		<u>65.900</u>	<u>65.900</u>
Cash at bank		<u>1</u>	<u>1</u>
Total current assets		<u>1</u>	<u>1</u>
Total assets		<u><u>65.901</u></u>	<u><u>65.901</u></u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Equity and liabilities			
Share capital		80	80
Retained earnings		<u>65.698</u>	<u>65.718</u>
Equity	3	<u>65.778</u>	<u>65.798</u>
Payables to subsidiaries		<u>123</u>	<u>103</u>
Total current liabilities		<u>123</u>	<u>103</u>
Total liabilities		<u>123</u>	<u>103</u>
Total equity and liabilities		<u><u>65.901</u></u>	<u><u>65.901</u></u>
Contingencies, etc.	4		

Notes

	<u>2018</u> TDKK	<u>2017</u> TDKK	
1 Tax on profit/loss for the year	<u>0</u>	<u>0</u>	
2 Investments in subsidiaries			
Cost at 1 January 2018	<u>114.892</u>	<u>114.892</u>	
Cost at 31 December 2018	<u>114.892</u>	<u>114.892</u>	
Revaluations at 1 January 2018	<u>-48.992</u>	<u>-48.992</u>	
Revaluations at 31 December 2018	<u>-48.992</u>	<u>-48.992</u>	
Carrying amount at 31 December 2018	<u>65.900</u>	<u>65.900</u>	
3 Equity			
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	80	65.718	65.798
Net profit/loss for the year	<u>0</u>	<u>-20</u>	<u>-20</u>
Equity at 31 December 2018	<u>80</u>	<u>65.698</u>	<u>65.778</u>

4 Contingencies, etc.

The company is jointly taxed with other Danish group companies. The jointly taxed companies have joint and unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.