

**CommScope Connectivity
Denmark A/S**
Naverland 8
2600 Glostrup
Central Business Registration No
45534014

Annual report 2017

The Annual General Meeting adopted the annual report on 22.05.2018

Chairman of the General Meeting

Name: Michael David Coppin

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Entity details

Entity

CommScope Connectivity Denmark A/S
Naverland 8
2600 Glostrup

Central Business Registration No: 45534014
Registered in: Albertslund
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Michael David Coppin, Chairman
Philip Martin Armstrong, Jr.
Robert Wayne Granow

Executive Board

Jonathan Niall Murphy, Chief Executive Officer
Frank Burkhead Wyatt II

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of CommScope Connectivity Denmark A/S for the financial year 01.01.2017 - 31.12.2017.

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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Glostrup, 22.05.2018

Executive Board

Jonathan Niall Murphy
Chief Executive Officer

Frank Burkhead Wyatt II

Board of Directors

Michael David Coppin
Chairman

Philip Martin Armstrong, Jr.

Robert Wayne Granow

Independent auditor's report

To the shareholder of CommScope Connectivity Denmark A/S

Opinion

We have audited the financial statements of CommScope Connectivity Denmark A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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:

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 22.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

Identification number (MNE) mne16541

Management commentary

Primary activities

The Company's primary activities are the provision of marketing services for the sale of electronic components to distributors and manufacturers. The Company receives commission from its activities on the Danish market.

Development in activities and finances

In 2017 the Company's financial year is a 12 months period in comparison with a 15 months period in 2016.

Profit for the year is DKK 2,818 thousand and the performance has been in line with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Revenue		18.380.434	28.354.302
Other external expenses		<u>(5.513.135)</u>	<u>(10.455.848)</u>
Gross profit/loss		12.867.299	17.898.454
Staff costs	1	(9.101.355)	(11.887.817)
Depreciation, amortisation and impairment losses		<u>(63.226)</u>	<u>(93.883)</u>
Operating profit/loss		3.702.718	5.916.754
Other financial income	2	10.793	14.534
Other financial expenses	3	<u>(37.423)</u>	<u>(39.220)</u>
Profit/loss before tax		3.676.088	5.892.068
Tax on profit/loss for the year	4	<u>(858.046)</u>	<u>(1.299.451)</u>
Profit/loss for the year		<u>2.818.042</u>	<u>4.592.617</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.818.042</u>	<u>4.592.617</u>
		<u>2.818.042</u>	<u>4.592.617</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Plant and machinery		77.210	112.606
Other fixtures and fittings, tools and equipment		5.313	45.932
Property, plant and equipment	5	<u>82.523</u>	<u>158.538</u>
Other receivables		73.833	214.076
Fixed asset investments		<u>73.833</u>	<u>214.076</u>
Fixed assets		<u>156.356</u>	<u>372.614</u>
Receivables from group enterprises		4.764.104	7.082.762
Deferred tax	7	259.990	0
Other receivables		0	89.226
Prepayments		285.192	120.021
Receivables		<u>5.309.286</u>	<u>7.292.009</u>
Cash		<u>8.444.563</u>	<u>4.106.568</u>
Current assets		<u>13.753.849</u>	<u>11.398.577</u>
Assets		<u>13.910.205</u>	<u>11.771.191</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Contributed capital	6	2.000.000	2.000.000
Retained earnings		8.834.459	6.016.417
Equity		10.834.459	8.016.417
Deferred tax	7	0	14.907
Provisions		0	14.907
Payables to group enterprises		90.865	0
Income tax payable		21.786	474.204
Other payables		2.963.095	3.265.663
Current liabilities other than provisions		3.075.746	3.739.867
Liabilities other than provisions		3.075.746	3.739.867
Equity and liabilities		13.910.205	11.771.191
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2.000.000	6.016.417	8.016.417
Profit/loss for the year	0	2.818.042	2.818.042
Equity end of year	2.000.000	8.834.459	10.834.459

Notes

	2017	2015/16
	DKK	DKK
1. Staff costs		
Wages and salaries	8.475.007	10.848.504
Pension costs	589.753	936.925
Other social security costs	36.595	102.388
	9.101.355	11.887.817
Average number of employees	9	12
	2017	2015/16
	DKK	DKK
2. Other financial income		
Exchange rate adjustments	10.793	12.381
Other financial income	0	2.153
	10.793	14.534
	2017	2015/16
	DKK	DKK
3. Other financial expenses		
Exchange rate adjustments	7.745	17.328
Other financial expenses	29.678	21.892
	37.423	39.220
	2017	2015/16
	DKK	DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	939.066	1.350.204
Change in deferred tax for the year	(274.897)	(2.147)
Adjustment concerning previous years	193.877	(48.606)
	858.046	1.299.451

Notes

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment		
Cost beginning of year	212.983	388.204
Disposals	(20.700)	(271.738)
Cost end of year	192.283	116.466
Depreciation and impairment losses beginning of the year	(100.377)	(342.272)
Depreciation for the year	(33.671)	(29.553)
Reversal regarding disposals	18.975	260.672
Depreciation and impairment losses end of the year	(115.073)	(111.153)
Carrying amount end of year	77.210	5.313

The total carrying amount end of year for property, plant and equipment is DKK 82.523.

	Number	Nominal value DKK
6. Contributed capital		
Ordinary shares	67	335.000
Ordinary shares	1	1.665.000
	68	2.000.000

7. Deferred tax

Deferred tax is incumbent on prepayments and other fixtures, etc.

	2017 DKK	2015/16 DKK
8. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	599.000	1.179.000

9. Contingent liabilities

The Entity participated in a Danish joint taxation arrangement as the administration company until 30.05.2016. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2012/13 for income taxes etc for the jointly taxed entities, and from

Notes

01.07.2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities until 30.05.2016.

10. Related parties with controlling interest

The Company has registered the following shareholder to hold 100% of the voting share capital or of the nominal value of the share capital:

CommScope Netherlands B.V., Orteliuslaan 1000, 3528 BD Utrecht, the Netherlands

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

Changes in accounting policies

The management have decided to change the presentation of the income statement from function to be presented by nature to give a more true and fair view of the financial statement. The comparative figures have been changed accordingly. The change of presentation gives no changes to profit and equity.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from commissions is recognised in the income statement when invoiced. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-10 years

Accounting policies

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.