



CommScope Connectivity Denmark ApS

Lautruphøj 1
2750 Ballerup
CVR No. 45534014

Annual report 2020

The Annual General Meeting adopted the
annual report on 25.05.2021

Michael David Coppin

Chairman of the Annual General Meeting

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Entity details

Entity

CommScope Connectivity Denmark ApS
Lautruphøj 1
2750 Ballerup

CVR No.: 45534014

Registered office: Ballerup

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Michael David Coppin, Chairman
Brooke Bare Clark
Laurie Sherrill Oracion

Executive Board

Jonathan Niall Murphy, Chief Executive Officer
Justin C. Choi

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by management

The Board of Directors and the Executive Board have today considered and approved the annual report of CommScope Connectivity Denmark ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Ballerup, 25.05.2021

Executive Board

Jonathan Niall Murphy
Chief Executive Officer

Justin C. Choi

Board of Directors

Michael David Coppin
Chairman

Brooke Bare Clark

Laurie Sherrill Oracion

Independent auditor's report

To the shareholders of CommScope Connectivity Denmark ApS

Opinion

We have audited the financial statements of CommScope Connectivity Denmark ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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.

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, 25.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

Management commentary

Primary activities

The company's primary activities are the provision of marketing services in support of sales of electronic components by its affiliates to distributors and manufacturers. The company receives a mark-up on the costs incurred in the performance of its activities.

Description of material changes in activities and finances

On 30 May 2020 CommScope Connectivity Denmark ApS was converted to a private limited company pursuant to section 321 of the Danish Companies Act.

On 30 September 2020, the board approved the merger of CommScope Connectivity Denmark ApS and ARRIS Solutions Denmark ApS (VAT no. 38742922), with CommScope as the surviving company. The merger was effective from 1 January 2020.

Development in activities and finances

Profit for the year is DKK 582 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 2020

	Notes	2020 DKK	2019 DKK
Revenue		13,534,448	11,361,236
Other external expenses		(2,030,380)	(2,638,249)
Gross profit/loss		11,504,068	8,722,987
Staff costs	1	(10,663,863)	(7,976,528)
Depreciation, amortisation and impairment losses		(82,920)	(101,557)
Operating profit/loss		757,285	644,902
Other financial income	2	8,814	4,913
Other financial expenses	3	0	(5,649)
Profit/loss before tax		766,099	644,166
Tax on profit/loss for the year	4	(184,100)	(175,000)
Profit/loss for the year		581,999	469,166
Proposed distribution of profit and loss:			
Retained earnings		581,999	469,166
Proposed distribution of profit and loss		581,999	469,166

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Plant and machinery		0	13,312
Other fixtures and fittings, tools and equipment		46,406	116,014
Property, plant and equipment	5	46,406	129,326
Other receivables		161,828	163,498
Financial assets		161,828	163,498
Fixed assets		208,234	292,824
Receivables from group enterprises		3,293,994	1,001,591
Deferred tax	6	37,516	94,868
Other receivables		229,757	96,322
Income tax receivable		195,666	241,530
Receivables		3,756,933	1,434,311
Cash		4,562,150	12,172,148
Current assets		8,319,083	13,606,459
Assets		8,527,317	13,899,283

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	7	2,005,000	2,000,000
Retained earnings		1,981,673	9,750,936
Equity		3,986,673	11,750,936
Other payables		986,160	0
Non-current liabilities other than provisions	8	986,160	0
Payables to group enterprises		213,076	156,902
Other payables	9	3,341,408	1,991,445
Current liabilities other than provisions		3,554,484	2,148,347
Liabilities other than provisions		4,540,644	2,148,347
Equity and liabilities		8,527,317	13,899,283
Unrecognised rental and lease commitments	10		
Related parties with controlling interest	11		
Group relations	12		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,000,000	9,750,936	11,750,936
Effect of mergers and business combinations	5,000	648,738	653,738
Extraordinary dividend paid	0	(9,000,000)	(9,000,000)
Profit/loss for the year	0	581,999	581,999
Equity end of year	2,005,000	1,981,673	3,986,673

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	10,054,788	7,436,450
Pension costs	609,075	540,078
	10,663,863	7,976,528
<hr/>		
Number of employees at balance sheet date		
<hr/>		
Average number of full-time employees	9	8

2 Other financial income

	2020	2019
	DKK	DKK
Exchange rate adjustments	8,814	3,835
Other financial income	0	1,078
	8,814	4,913

3 Other financial expenses

	2020	2019
	DKK	DKK
Exchange rate adjustments	0	5,649
	0	5,649

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	127,021	175,000
Change in deferred tax	57,351	0
Adjustment concerning previous years	(272)	0
	184,100	175,000

5 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	192,284	313,689
Cost end of year	192,284	313,689
Depreciation and impairment losses beginning of year	(178,972)	(197,675)
Depreciation for the year	(13,312)	(69,608)
Depreciation and impairment losses end of year	(192,284)	(267,283)
Carrying amount end of year	0	46,406

6 Deferred tax

Deferred tax is incumbent on provisions, other fixtures and tax losses carried forward.

7 Share capital

	Number	Nominal value DKK
Ordinary shares	67	335,000
Ordinary shares	1	1,665,000
Ordinary shares	1	5,000
	69	2,005,000

Upon completion of the merger with ARRIS Solutions Denmark ApS in current year, the share capital was increased by 5.000 DKK.

8 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	986,160
	986,160

Long-term liability is provision for Holiday Fund arisen from the transition period from the previous Danish Holiday Act to the new Danish Holiday Act.

9 Other payables

	2020	2019
	DKK	DKK
Wages and salaries, personal income taxes, social security costs, etc payable	3,137,951	1,724,105
Other costs payable	203,457	267,340
	3,341,408	1,991,445

10 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,182,000	1,881,000

11 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.

12 Group relations

Name and registered office of the parent preparing consolidated financial statements for this entity:

CommScope Holding Company Inc., 1100 CommScope Place, SE Hickory, North Carolina 28602, USA.

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.

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Any anticipated risks and losses are considered for recognition and measurement within the financial statements. These include any 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.

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

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.

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, and 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 on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	10 years
Other fixtures and fittings, tools and equipment	3-10 years

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 the tax-based value of assets and liabilities, for which the tax-based value 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.

Tax payable or receivable

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.

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.