



## CommScope Connectivity Denmark A/S

Lautruphøj 1  
2750 Ballerup  
CVR No. 45534014

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 22.04.2020

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**Michael David Coppin**

Chairman of the Annual General Meeting

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# Entity details

## Entity

CommScope Connectivity Denmark A/S

Lautruphøj 1

2750 Ballerup

CVR No.: 45534014

Registered office: Ballerup

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Michael David Coppin, Chairman

Laurie Sherrill Oracion

Brooke Bare Clark

## Executive Board

Frank Burkhead Wyatt, II

Jonathan Niall Murphy, Chief Executive Officer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

# Statement by management

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 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 22.04.2020

## Executive Board

**Frank Burkhead Wyatt, II**

**Jonathan Niall Murphy**  
Chief Executive Officer

## Board of Directors

**Michael David Coppin**  
Chairman

**Laurie Sherrill Oracion**

**Brooke Bare Clark**

# Independent auditor's report

## To the shareholders of CommScope Connectivity Denmark A/S

### Opinion

We have audited the financial statements of CommScope Connectivity Denmark A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 22.04.2020

**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 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

Profit for the year is DKK 469 thousand and the performance has been in line with expectations.

## Events after the balance sheet date

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report; however, they may have an impact on our future earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and long-term effects or those of the Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and, accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		11,361,236	10,819,332
Other external expenses		(2,638,249)	(2,928,513)
<b>Gross profit/loss</b>		<b>8,722,987</b>	<b>7,890,819</b>
Staff costs	2	(7,976,528)	(7,228,893)
Depreciation, amortisation and impairment losses		(101,557)	(48,863)
<b>Operating profit/loss</b>		<b>644,902</b>	<b>613,063</b>
Other financial income	3	4,913	3,013
Other financial expenses	4	(5,649)	(3,661)
<b>Profit/loss before tax</b>		<b>644,166</b>	<b>612,415</b>
Tax on profit/loss for the year	5	(175,000)	(165,104)
<b>Profit/loss for the year</b>		<b>469,166</b>	<b>447,311</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		469,166	447,311
<b>Proposed distribution of profit and loss</b>		<b>469,166</b>	<b>447,311</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Plant and machinery		13,312	45,261
Other fixtures and fittings, tools and equipment		116,014	185,622
<b>Property, plant and equipment</b>	6	<b>129,326</b>	<b>230,883</b>
Other receivables		163,498	246,582
<b>Other financial assets</b>		<b>163,498</b>	<b>246,582</b>
<b>Fixed assets</b>		<b>292,824</b>	<b>477,465</b>
Receivables from group enterprises		1,001,591	4,534,419
Deferred tax	7	94,868	94,868
Other receivables		96,322	262,407
Income tax receivable		241,530	548,000
Prepayments		0	4,581
<b>Receivables</b>		<b>1,434,311</b>	<b>5,444,275</b>
<b>Cash</b>		<b>12,172,148</b>	<b>7,533,948</b>
<b>Current assets</b>		<b>13,606,459</b>	<b>12,978,223</b>
<b>Assets</b>		<b>13,899,283</b>	<b>13,455,688</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital	8	2,000,000	2,000,000
Retained earnings		9,750,936	9,281,770
<b>Equity</b>		<b>11,750,936</b>	<b>11,281,770</b>
Payables to group enterprises		156,902	235,331
Other payables		1,991,445	1,938,587
<b>Current liabilities other than provisions</b>		<b>2,148,347</b>	<b>2,173,918</b>
<b>Liabilities other than provisions</b>		<b>2,148,347</b>	<b>2,173,918</b>
<b>Equity and liabilities</b>		<b>13,899,283</b>	<b>13,455,688</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Related parties with controlling interest	11		
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# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	2,000,000	9,281,770	11,281,770
Profit/loss for the year	0	469,166	469,166
<b>Equity end of year</b>	<b>2,000,000</b>	<b>9,750,936</b>	<b>11,750,936</b>

# Notes

## 1 Events after the balance sheet date

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report; however, they may have an impact on our future earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and long-term effects or those of the Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and, accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

## 2 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	7,436,450	6,708,140
Pension costs	540,078	495,761
Other social security costs	0	24,992
	<b>7,976,528</b>	<b>7,228,893</b>
Average number of full-time employees	<b>8</b>	<b>7</b>

## 3 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Exchange rate adjustments	3,835	3,013
Other financial income	1,078	0
	<b>4,913</b>	<b>3,013</b>

#### 4 Other financial expenses

	2019 DKK	2018 DKK
Exchange rate adjustments	5,649	3,661
	<b>5,649</b>	<b>3,661</b>

#### 5 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	175,000	0
Change in deferred tax	0	165,122
Adjustment concerning previous years	0	(18)
	<b>175,000</b>	<b>165,104</b>

#### 6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	192,283	313,689
<b>Cost end of year</b>	<b>192,283</b>	<b>313,689</b>
Depreciation and impairment losses beginning of year	(147,022)	(128,067)
Depreciation for the year	(31,949)	(69,608)
<b>Depreciation and impairment losses end of year</b>	<b>(178,971)</b>	<b>(197,675)</b>
<b>Carrying amount end of year</b>	<b>13,312</b>	<b>116,014</b>

The total carrying amount end of year for property, plant and equipment is DKK 129,326.

#### 7 Deferred tax

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

#### 8 Share capital

	Number	Nominal value DKK
Ordinary shares	67	335,000
Ordinary shares	1	1,665,000
	<b>68</b>	<b>2,000,000</b>

## 9 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	<b>1,881,000</b>	<b>1,689,000</b>

## 10 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 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.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entity which includes all Danish entities in the ARRIS group, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

## 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.

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, inventories 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.

### 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 the staff of the Entity.

**Amortisation, depreciation 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income with full allocation and refund concerning tax losses.

**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	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 an off-set against deferred tax liabilities or as net tax assets.

**Income 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.

**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.