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NTP Technology A/S
Nybrovej 99
2820 Gentofte
Business Registration No
67260015

Annual report 01.01.2019 - 31.03.2019

The Annual General Meeting adopted the annual report on 15.08.2019

Chairman of the General Meeting

Name: Christoffer Vest Kay

Contents

Entity details

Entity
NTP Technology A/S
Nybrovej 99
2820 Gentofte

Central Business Registration No (CVR): 67260015
Registered in: Gentofte
Financial year: 01.01.2019 - 31.03.2019

Board of Directors
Christoffer Vest Kay
Henning Brønnum Sørensen
Ole Peter Clausen
Graham Michael Pitman

Executive Board
Ole Peter Clausen
Mikael Peter Magalhaes Vest

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 NTP Technology A/S for the financial year 01.01.2019 - 31.03.2019.

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 31.03.2019 and of the results of its operations for the financial year 01.01.2019 - 31.03.2019.

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.

Gentofte, 15.08.2019

Executive Board

Ole Peter Clausen Mikael Peter Magalhaes Vest

Board of Directors

Christoffer Vest Kay Henning Brønnum Sørensen Ole Peter Clausen

Graham Michael Pitman

Independent auditor's report

To the shareholders of NTP Technology A/S

Opinion

We have audited the financial statements of NTP Technology A/S for the financial year 01.01.2019 - 31.03.2019, 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 31.03.2019 and of the results of its operations for the financial year 01.01.2019 - 31.03.2019 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:

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, 15.08.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Ole Ørnstrup
State Authorised Public Accountant
Identification No (MNE) mne26769

Management commentary

Primary activities

NTP Technology A/S develops and produces advanced digital audio routing systems and related control software for radio and TV stations internationally as well as digital sound processors for sound studios, concert halls, etc. The products are marketed internationally through distributors.

Development in activities and finances

The Group has changed its financial year with a transition period from 1 January 2019 to 31 March 2019. The reported figures reflect this three-month period.

The Company's results are as expected.

Uncertainty relating to recognition and measurement

There are no uncertainties related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

No unusual circumstances have occurred in this financial year.

Outlook

The introduction of new products during 2019/20 will have a positive effect on the Company's revenue and results. It is thus expected that the Company will generate revenue and results above level compared to the previous year.

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 2019

	Notes	2019 (3 months) DKK	2018 (12 months) DKK
Gross profit		**3.230.332**	**13.030.754**
Staff costs	1	(1.910.270)	(6.732.892)
Depreciation, amortisation and impairment losses	2	(299.735)	(1.448.576)
Operating profit/loss		**1.020.327**	**4.849.286**
Other financial expenses	3	(57.880)	(118.404)
Profit/loss before tax		**962.447**	**4.730.882**
Tax on profit/loss for the year	4	(211.739)	(1.042.273)
Profit/loss for the year		**750.708**	**3.688.609**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		2.000.000	3.000.000
Retained earnings		(1.249.292)	688.609
		750.708	**3.688.609**

Balance sheet at 31.03.2019

	Notes	2019 (31.03.19) kr.	2018 (31.12.18) kr.
Completed development projects		2.054.439	2.275.612
Intangible assets	5	**2.054.439**	**2.275.612**
Other fixtures and fittings, tools and equipment		184.397	217.250
Leasehold improvements		609.459	655.169
Property, plant and equipment	6	**793.856**	**872.419**
Other receivables		55.000	55.000
Fixed asset investments		**55.000**	**55.000**
Fixed assets		**2.903.295**	**3.203.031**
Raw materials and consumables		5.128.991	5.409.720
Inventories		**5.128.991**	**5.409.720**
Trade receivables		4.118.529	6.119.737
Receivables from group enterprises		6.421.214	4.770.102
Other receivables		559.284	405.302
Prepayments		84.002	84.002
Receivables		**11.183.029**	**11.379.143**
Cash		**113.133**	**148.859**
Current assets		**16.425.153**	**16.937.722**
Assets		**19.328.448**	**20.140.753**

Balance sheet at 31.03.2019

	Notes	2019 (31.03.19) kr.	2018 (31.12.18) kr.
Contributed capital		1.000.000	1.000.000
Reserve for development expenditure		1.602.462	1.774.977
Retained earnings		4.681.620	5.758.396
Proposed dividend		5.000.000	3.000.000
Equity		**12.284.082**	**11.533.373**
Deferred tax		498.947	522.330
Provisions		**498.947**	**522.330**
Bank loans		309.193	3.322.377
Trade payables		2.292.299	1.874.507
Payables to group enterprises		1.882.693	1.034.364
Joint taxation contribution payable		1.394.172	1.159.050
Other payables		667.062	694.752
Current liabilities other than provisions		**6.545.419**	**8.085.050**
Liabilities other than provisions		**6.545.419**	**8.085.050**
Equity and liabilities		**19.328.448**	**20.140.753**
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	1.000.000	1.774.977	5.758.397
Transfer to reserves	0	(172.515)	172.515
Profit/loss for the year	0	0	(1.249.292)
Equity end of year	**1.000.000**	**1.602.462**	**4.681.620**

	Proposed dividend DKK	Total DKK
Equity beginning of year	3.000.000	11.533.374
Transfer to reserves	0	0
Profit/loss for the year	2.000.000	750.708
Equity end of year	**5.000.000**	**12.284.082**

Notes

	2019 (3 months) DKK	2018 (12 months) DKK
1. Staff costs		
Wages and salaries	1.852.561	6.566.660
Other social security costs	19.817	75.502
Other staff costs	37.892	90.730
	1.910.270	**6.732.892**
Number of employees at balance sheet date	**11**	**12**

	2019 (3 months) DKK	2018 (12 months) DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	221.173	1.140.440
Depreciation of property, plant and equipment	78.562	308.136
	299.735	**1.448.576**

	2019 (3 months) DKK	2018 (12 months) DKK
3. Other financial expenses		
Other interest expenses	57.880	118.404
	57.880	**118.404**

	2019 (3 months) DKK	2018 (12 months) DKK
4. Tax on profit/loss for the year		
Current tax	235.122	1.159.050
Change in deferred tax	(23.383)	(116.777)
	211.739	**1.042.273**

5. Intangible assets

Development projects is relating to the development of a new product of the AX serie and new adapter cards for support of Dante to Penta and the AX32 serie and Digilik.

6. Property, plant and equipment

Out of receivables from group enterprises, the main part is expected to fall due after 12 months.

Notes

	2019 (31.03.19) kr.	2018 (31.12.18) kr.
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**251.076**	**251.076**

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CCTV Holding A/S serves as the administration company. According to the joint taxation provi-sions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial state-ments.

9. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

- CCTV Holding A/S, Nybrovej 99, 2820 Gentofte

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- Dan Technologies A/S, Nybrovej 99, 2820 Gentofte

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 report-ing 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expences. The company has chosen not to show the revenue

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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.

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
Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 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 (full allocation with a refund concerning tax losses).

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

Accounting policies

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 3-5 years.

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. 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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3-5 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.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

Cash
Cash comprises cash in hand and bank deposits.

Accounting policies

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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 or the planned settlement of each liability.

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.

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

Joint taxation contributions payable or receivable
Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.