

Procom A/S
Central Business Registration No
87928217
Smedetoften 12
3600 Frederikssund

Annual report 2015

The Annual General Meeting adopted the annual report on 08.06.2016

Chairman of the General Meeting

Name: Peter Thrane Borregaard

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Entity details

Entity

Procom A/S
Smedetoften 12
3600 Frederikssund

Central Business Registration No: 87928217

Registered in: Frederikssund

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Richard Adam Norwitt, chairman

Craig Anthony Lampo

Zachary Winner Raley

Executive Board

Peter Thrane Borregaard, chief executive officer

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 Procom A/S for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Frederikssund, 08.06.2016

Executive Board

Peter Thrane Borregaard
chief executive officer

Board of Directors

Richard Adam Norwitt
chairman

Craig Anthony Lampo

Zachary Winner Raley

Independent auditor's reports

To the owners of Procom A/S

Report on the financial statements

We have audited the financial statements of Procom A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 08.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jens Sejer Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Gross profit	81.655	72.853	69.934	62.415	56.993
Operating profit/loss	29.064	21.487	23.439	19.944	18.470
Net financials	2.459	2.624	718	1.825	591
Profit/loss for the year	25.021	19.060	19.404	16.835	14.559
Total assets	97.671	90.559	51.109	52.277	49.531
Investments in property, plant and equipment	2.563	2.074	1.838	2.138	1.753
Equity	42.980	47.292	27.843	28.397	26.542
Ratios					
Return on equity (%)	55,4	50,7	69,0	61,3	48,5
Solvency ratio (%)	44,0	52,2	54,5	54,3	53,6

The key figures have been adjusted previous years, so that it's only Procom A/S key figures which are presented.

Management commentary

Primary activities

The company's activities comprise development production and sale of high class antennas, filters and combiner equipment for professional market (BtB) to meet the demand for wireless communication.

Development in activities and finances

The profit for the year is DKK 25.021k. Last year's profit was DKK 19.060k. The year is effected positive by growth in revenue.

Outlook

The past years focused and strengthened sales and development activities are expected to contribute to a continued growth in both sales and profit. We continue our work to become the preferred supplier and partner for professional radio communication.

Particular risks

The company has a considerable export sales and import of raw material and components. The company's currency hedging is good as sale and purchase primarily is in Euro.

Environmental performance

Procom has always and continues to comply with the legal and recommended environmental regulations. A dedicated effort has been made to be in compliance with a.o. the RoHs and Reach directives.

Research and development activities

Procom is focusing on research and development. The close cooperation with our customers, with other Amphenol companies and our strategic work towards bringing new solutions to the market, are essential for our year on year growth and success and our ability to help our customers with the optimal solutions.

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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied for 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 one 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

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, consumables and external expenses.

Accounting policies

Revenue

Revenue from the sale of manufactured goods and goods for resale 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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 write-downs 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise, 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 intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, 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.

Income taxes

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

Intellectual property rights etc

Intellectual property rights etc comprise software and licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licenses are amortised over 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements 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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Accounting policies

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is amortised over 20 years, due to the fact that goodwill relating to acquired enterprises is a strategic decision that support the market position of the group. Acquired enterprises are an essential element in the group's growth initiatives.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Accounting policies

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, freight and customs costs as well as costs of factory administration and management. Financing costs are not included in cost.

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

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

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.

Other financial liabilities

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

Accounting policies

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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

Cash flow statement

The company have left out cash flow statement in accordance with the Danish Financial Act Statements § 87, 4., due to the preparation of cash flow statement in the consolidated financial statements for the largest group.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross profit		81.655.066	72.853
Staff costs	1	(50.563.380)	(49.643)
Depreciation, amortisation and impairment losses	2	<u>(2.027.485)</u>	<u>(1.723)</u>
Operating profit/loss		29.064.201	21.487
Income from investments in group enterprises		1.731.622	1.749
Income from investments in associates		2.289.870	2.064
Other financial income	3	267.865	401
Other financial expenses	4	<u>(1.829.906)</u>	<u>(1.590)</u>
Profit/loss from ordinary activities before tax		31.523.652	24.111
Tax on profit/loss from ordinary activities	5	<u>(6.503.118)</u>	<u>(5.051)</u>
Profit/loss for the year		<u>25.020.534</u>	<u>19.060</u>
Proposed distribution of profit/loss			
Dividend for the financial year		0	30.000
Reserve for net revaluation according to the equity method		2.145.705	1.309
Retained earnings		<u>22.874.829</u>	<u>(12.249)</u>
		<u>25.020.534</u>	<u>19.060</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Acquired intangible assets		906.429	542
Intangible assets	6	<u>906.429</u>	<u>542</u>
Other fixtures and fittings, tools and equipment		5.588.426	4.857
Leasehold improvements		432.361	418
Property, plant and equipment	7	<u>6.020.787</u>	<u>5.275</u>
Investments in group enterprises		33.472.730	31.141
Investments in associates		3.854.812	3.805
Deposits		1.212.663	1.181
Fixed asset investments	8	<u>38.540.205</u>	<u>36.127</u>
Fixed assets		<u>45.467.421</u>	<u>41.944</u>
Raw materials and consumables		15.780.629	13.812
Work in progress		2.942.989	4.332
Manufactured goods and goods for resale		6.965.067	3.874
Inventories		<u>25.688.685</u>	<u>22.018</u>
Trade receivables		4.792.413	4.074
Receivables from group enterprises		2.346.239	7.385
Receivables from associates		7.164.553	7.778
Other short-term receivables		561.535	684
Prepayments	9	288.706	663
Receivables		<u>15.153.446</u>	<u>20.584</u>
Cash		<u>11.361.522</u>	<u>6.013</u>
Current assets		<u>52.203.653</u>	<u>48.615</u>
Assets		<u>97.671.074</u>	<u>90.559</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	10	5.000.000	5.000
Reserve for net revaluation according to the equity method		4.610.495	2.465
Retained earnings		33.369.440	9.827
Proposed dividend		0	30.000
Equity		<u>42.979.935</u>	<u>47.292</u>
Provisions for deferred tax	11	615.646	512
Provisions		<u>615.646</u>	<u>512</u>
Bank loans		0	17.000
Non-current liabilities other than provisions		<u>0</u>	<u>17.000</u>
Current portion of long-term liabilities other than provisions		0	5.000
Prepayments received from customers		294.291	114
Trade payables		3.318.748	3.994
Debt to group enterprises		41.841.512	4.151
Income tax payable		2.399.472	6.761
Other payables		6.221.470	5.735
Current liabilities other than provisions		<u>54.075.493</u>	<u>25.755</u>
Liabilities other than provisions		<u>54.075.493</u>	<u>42.755</u>
Equity and liabilities		<u>97.671.074</u>	<u>90.559</u>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Consolidation	15		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revalua- tion accord- ing to the equity me- thod DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	5.000.000	2.464.790	9.826.816	30.000.000	47.291.606
Ordinary dividend paid	0	0	0	(30.000.000)	(30.000.000)
Exchange rate adjustments	0	0	667.795	0	667.795
Profit/loss for the year	0	2.145.705	22.874.829	0	25.020.534
Equity end of year	5.000.000	4.610.495	33.369.440	0	42.979.935

Notes

	2015	2014
	DKK	DKK'000
1. Staff costs		
Wages and salaries	46.007.996	45.083
Pension costs	1.052.966	983
Other social security costs	3.499.388	3.572
Other staff costs	3.030	5
	50.563.380	49.643
Average number of employees	124	122
	Remuneration of management	Remuneration of management
	2015	2014
	DKK	DKK'000
Total amount for management categories	2.073.500	1.950.000
	2.073.500	1.950.000
	2015	2014
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	213.440	178
Depreciation of property, plant and equipment	1.813.955	1.492
Profit/loss from sale of intangible assets and property, plant and equipment	90	53
	2.027.485	1.723
	2015	2014
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	0	141
Other financial income	267.865	260
	267.865	401

Notes

	2015	2014
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	1.128.313	58
Other financial expenses	701.593	1.532
	1.829.906	1.590
	2015	2014
	DKK	DKK'000
5. Tax on ordinary profit/loss for the year		
Current tax	6.399.472	4.963
Change in deferred tax for the year	103.646	88
	6.503.118	5.051
		Acquired intangible assets DKK
6. Intangible assets		
Cost beginning of year		2.270.366
Additions		577.588
Cost end of year		2.847.954
Amortisation and impairment losses beginning of year		(1.728.085)
Amortisation for the year		(213.440)
Amortisation and impairment losses end of year		(1.941.525)
Carrying amount end of year		906.429

Notes

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	
7. Property, plant and equipment			
Cost beginning of year	17.647.035	1.185.165	
Additions	2.324.540	238.321	
Disposals	(375.842)	0	
Cost end of year	19.595.733	1.423.486	
Depreciation and impairment losses beginning of the year	(12.789.999)	(766.715)	
Depreciation for the year	(1.589.545)	(224.410)	
Reversal regarding disposals	372.237	0	
Depreciation and impairment losses end of the year	(14.007.307)	(991.125)	
Carrying amount end of year	5.588.426	432.361	
	Investments in group enterprises DKK	Investments in associates DKK	Deposits DKK
8. Fixed asset investments			
Cost beginning of year	32.416.337	64.540	1.181.429
Additions	236.170	0	31.234
Cost end of year	32.652.507	64.540	1.212.663
Revaluations beginning of year	(1.275.412)	3.740.202	0
Exchange rate adjustments	667.795	0	0
Amortisation of goodwill	(908.416)	0	0
Share of profit/loss after tax	2.907.861	2.289.870	0
Dividend	(372.998)	(2.239.800)	0
Investments with negative equity depreciated over receivables	69.216	0	0
Other adjustments	(267.823)	0	0
Revaluations end of year	820.223	3.790.272	0
Carrying amount end of year	33.472.730	3.854.812	1.212.663

Investments in group enterprises include goodwill of DKK 16,654k.

Other adjustments relate to correction in the opening balance of Skymasts Antennas Ltd.

Notes

	<u>Registered in</u>	<u>Equity interest %</u>
Subsidiaries:		
Procom France SARL	France	100,00
Procom Antennas AB	Sweden	100,00
Procom USA, Inc.	USA	100,00
Skymasts Antennas Ltd.	UK	100,00

	<u>Registered in</u>	<u>Equity interest %</u>
Associates:		
Procom Deutschland GmbH	Germany	33,33

9. Prepayments

Prepayments are amounts paid for the company in advance of goods or services.

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
10. Contributed capital			
Shares	5.000	1.000,00	5.000.000
	5.000		5.000.000

	<u>2015 DKK</u>	<u>2014 DKK'000</u>
11. Deferred tax		
Intangible assets	209.000	119
Property, plant and equipment	44.900	62
Inventories	293.900	331
Other deductible temporary differences	67.846	0
	615.646	512

	<u>2015 DKK</u>	<u>2014 DKK'000</u>
12. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	19.687.500	23.871

Notes

13. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Mocorp Holding A/S serves as the administration company from 25 October 2015. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent Company is therefore liable from 25 October 2015 for income taxes etc for the jointly taxed companies.

14. Assets charged and collateral

Bank debt is secured by pledge of the shares in Skymasts Antennas Ltd.

Procom A/S has guaranteed the subsidiary Procom Antenna AB's debt. The security of the guarantee is DKK 800k.

15. Consolidation

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

Amphenol Corporation, 358 Hall Avenue, Wallingford, Connecticut 06492