

**RADISYS GmbH**  
**Financial Statements**  
**for the Year ended 31st December, 2018**

## Independent Auditor's Report

To RadiSys GmbH, Ottobrunn

### Opinion

We have audited the annual financial statements of RadiSys GmbH, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income and notes, comprising significant accounting policies to the annual financial statements.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance for the year then ended in accordance with the German Commercial Code (HGB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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.

### Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with German Commercial Code (HGB), and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual 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 Company'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’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 annual 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Restriction on Use and Distribution**

This independent auditor’s report was issued for information purposes to RadiSys GmbH and must not be used in any other context. This report must not, in particular, be handed out to third parties or included in sales prospectuses or similar public documents or media. “Third parties” in these regulations are not: RadiSys B.V, RadiSys Corp.

We have provided the services described above on behalf of RadiSys GmbH. By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Munich, May 29, 2019

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Hutzler  
Wirtschaftsprüfer  
[German Public Auditor]

Kirch  
Wirtschaftsprüfer  
[German Public Auditor]

**BALANCE SHEET**

as at December 31, 2018

		Financial year	Previous year
	EUR	EUR	EUR
<b>ASSETS</b>			
<b>A. Current assets</b>			
<b>I. Receivables and other assets</b>			
1. Receivables from affiliated companies		740,857.43	492,320.55
2. Other assets		157.46	8,891.44
<b>II. Cash-in-hand, central bank balances, bank balances and cheques</b>			
		61,314.65	51,516.19
		<b>802,329.54</b>	<b>552,728.18</b>
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		Financial year	Previous year
	EUR	EUR	EUR
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
<b>I. Subscribed capital</b>			
		26,500.00	26,500.00
<b>II. Capital reserves</b>			
		416,718.26	416,718.26
<b>III. Retained profits brought forward</b>			
		0.00	0.00
<b>IV. Net income for the financial year</b>			
		0.00	0.00
<b>V. Net retained profits</b>			
		76,692.56	-22,362.33
<b>B. Provisions</b>			
1. Provisions for taxes	29,101.22		13,293.40
2. Other provisions	24,068.73		38,184.30
		53,169.95	51,477.70
<b>C. Liabilities</b>			
<b>1. Trade payables</b>			
	8,153.92		3,408.23
- of which due within one year EUR 8,153.92 (EUR 3,408.23)			
<b>2. Liabilities to affiliated companies</b>			
	39.94		40.53
- of which due within one year EUR 39.94 (EUR 40.53)			
<b>3. Other liabilities</b>			
	221,054.91		76,945.79
- of which taxes EUR 40,408.97 (EUR 5,228.79)		229,248.77	80,394.55
- of which social security EUR 13,938.65 (EUR 0.00)			
- of which due within one year EUR 221,054.91 (EUR 76,945.79)			
		<b>802,329.54</b>	<b>552,728.18</b>

## INCOME STATEMENT

from January 1 to December 31, 2018

	Financial year		Previous year
	EUR	EUR	EUR
<b>1. Sales</b>		1,088,343.46	783,138.51
<b>2. Other operating income</b>		6,059.04	5,407.56
- of which currency translation gains EUR 159.04 (EUR 0.00)			
<b>3. Personnel expenses</b>			
a) Wages and salaries	744,603.09		492,486.08
b) Social security, post-employment and other employee benefit costs	47,122.19		52,325.89
		791,725.28	544,811.97
-of which in respect of old age pensions EUR 3,048.00 (EUR 2,770.00)			
<b>4. Other operating expenses</b>		164,556.62	177,198.99
- of which currency translation losses EUR 19.33 (EUR 1.63-)			
<b>5. Other interest and similar income</b>		0.00	38.74
<b>6. Taxes on income</b>		39,065.71	19,383.77
<b>7. Net income after tax</b>		<b>99,054.89</b>	<b>47,190.08</b>
<b>8. Accumulated losses / profits brought forward</b>		22,362.33	69,552.41
<b>9. Net retained profits / losses</b>		76,692.56	-22,362.33

## Notes

### Financial Statement as at 31 December 2018

#### A. GENERAL INFORMATION

##### 1. General notes to the financial statement

The present financial statement for RadiSys GmbH (registered office: Ottobrunn, Amtsgericht München (Munich District Court), HRB 112072) was drawn up in accordance with the classification, accounting and valuation principles of the German Commercial Code (HGB). In addition to these principles, the stipulations made in the German GmbH Act (GmbHG) were also observed.

The company is a small private limited company as defined in section 267 HGB.

The classification of the balance sheet and of the income statement comply with the provisions set forth in sections 266 to 275 HGB.

##### 2. Accounting and valuation principles

This financial statement was drawn up in accordance with the general accounting and valuation principles set out in sections 242 et seqq. and 264 et seqq. HGB.

The accounting and valuation methods remain the same as in the previous year. Where the German accounting principles provide an option concerning the recognition of assets or liabilities, it was not exercised.

The trade receivables and other assets are stated at nominal value while appropriate value adjustments to lower cost or market value are made when required by German accounting principles.

Cash and cash equivalents are stated at nominal value in all cases.

Provisions take into account all foreseeable risks and contingent liabilities. Their amounts have been determined applying sound business judgement reflecting the payment obligation. All future price and cost increases were taken into account.

Liabilities are valued at their repayment amount.

Accounts receivable and liabilities denominated in foreign currencies are valued at the closing rates.

#### B. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

##### 1. Receivables with a residual term of more than one year

All trade receivables and other assets have a residual term of less than one year.

##### 2. Total amount of liabilities with a residual term of more than one year

All liabilities have a residual term of less than one year.

##### 3. Sales

Sales are generated exclusively in Germany from the distribution of the products of the group's parent company. Transfer prices are calculated by applying the cost-plus method.

#### C. Other information

##### 1. Members of the management board

Appointed managing directors:

- Mr. Brian James Bronson, Tualatin, Oregon USA (recalled in May 2019, the entry in the commercial register has not been deleted yet)
- Mr. Jonathan Patrick Wilson, Portland USA (recalled in May 2019, the entry in the commercial register has not been deleted yet)
- Mr. Robert Charles Pippert, Wilson Dr., Prosper, Texas USA (appointed in May 2019, the entry has not been recorded in the commercial register yet)
- Mr. Shashikant Mehta, Harrisburg LN, Plano Texas USA (appointed in May 2019, the entry has not been recorded in the commercial register yet)

## Notes

### Financial Statement as at 31 December 2018

**2. Information on employees**

The company employed on average 4 employees in the financial year 2018.

**3. Appropriation of profit**

The company's net income Euro 99,054.89 is offset against the loss carried forward Euro 22,362.33 and the remaining net income will be carried forward to new account.

#### D. SIGNING OF THE FINANCIAL STATEMENT

Ottobrunn, May 22, 2019

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Robert Charles Pippert

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Nilesh Shashikant Mehta