

**Radisys GmbH**  
**Financial Statements**  
**for the year ended 31st December, 2019**

# Independent Auditor's Report

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To RadiSys GmbH, Munich

## Audit Opinion

We have audited the annual financial statements of RadiSys GmbH, Munich, comprising the balance sheet as at 31 December 2019 and the income statement for the fiscal year from 1 January 2019 to 31 December 2019 as well as the notes to the financial statements, including a description of the accounting policies used.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as of December 31, 2019 and of its results of operations for the fiscal year from January 1, 2019 to December 31, 2019 in accordance with German principles of proper accounting.

In accordance with section 322 (3) sentence 1 of the HGB (German Commercial Code), we declare that our audit has not led to any objections to the regularity of the annual financial statements.

## Basis for the audit opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the annual financial statements" of our audit opinion. We are independent of the company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

## Responsibility of the legal representatives for the annual financial statements

The legal representatives are responsible for the preparation and fair presentation of the annual financial statements in accordance with German principles of proper accounting and in all material respects comply with the requirements of German commercial law applicable to corporations, and for the presentation of a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles 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, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have a responsibility to report matters relating to the continuing operation of the entity, if relevant. In addition, they are responsible for accounting for the continuation of operations on the basis of the accounting principle, unless there are factual or legal grounds to the contrary.

## Auditor's responsibility for the audit of the annual accounts

Our objective is to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements that includes our opinion.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from violations or misstatements and are considered material if it is reasonably expected that they will affect, individually or in aggregate, the economic decisions of users made on the basis of these financial statements.

During the audit, we exercise our judgment and maintain a critical attitude. In addition

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the financial statements, plan and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the removal of internal control.

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- We obtain an understanding of the internal control system relevant to the audit of the financial statements in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of that system.
  - We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the reasonableness of accounting estimates made and related disclosures made.
  - We draw conclusions about the appropriateness of the accounting principles applied by the legal representatives for the continuation of business operations and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances that could cast reasonable doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to express an opinion on the related disclosures in the financial statements or, if the information is not appropriate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may cause the Company to cease operating.
  - We express an opinion on the overall presentation, the structure and the content of the annual financial statements, including the disclosures, as well as on whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we discover during our audit.

Munich, February 25, 2020

ADJUVA Treuhand GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Petra Göckel  
Wirtschaftsprüferin

## BALANCE SHEET

as at 31 December, 2019

|   | EUR              | Financial year<br>EUR    | Previous year<br>EUR     |
|---|------------------|--------------------------|--------------------------|
| <b>ASSETS</b>   |                  |                          |                          |
| <b>A. Current assets</b>  |                  |                          |                          |
| <b>I. Receivables and other assets</b>                                    |                  |                          |                          |
| 1. Receivables from affiliated companies                                  | 553,412.31       |                          | 740,857.43               |
| 2. Other assets   | <u>4,862.06</u>  |                          | <u>157.46</u>            |
|   |                  | 558,274.37               | 741,014.89               |
| <b>II. Cash-in-hand, central bank balances, bank balances and cheques</b> |                  | <u>207,138.53</u>        | <u>61,314.65</u>         |
|   |                  | <b><u>765,412.90</u></b> | <b><u>802,329.54</u></b> |
| <b>LIABILITIES</b>  |                  |                          |                          |
| <b>A. Equity</b>  |                  |                          |                          |
| I. Subscribed capital   |                  | 26,500.00                | 26,500.00                |
| II. Capital reserves  |                  | 416,718.26               | 416,718.26               |
| III. Retained profits brought forward                                     |                  | 76,692.56                | 0.00                     |
| IV. Net income for the financial year                                     |                  | 77,795.63                | 0.00                     |
| V. Net retained profits   |                  | 0.00                     | 76,692.56                |
| <b>B. Provisions</b>  |                  |                          |                          |
| 1. Provisions for taxes   | 15,956.00        |                          | 29,101.22                |
| 2. Other provisions   | <u>64,436.40</u> |                          | <u>24,068.73</u>         |
|   |                  | 80,392.40                | 53,169.95                |
| <b>C. Liabilities</b>   |                  |                          |                          |
| 1. Trade payables   | 11,905.08        |                          | 8,153.92                 |
| 2. Liabilities to affiliated companies                                    | 42.16            |                          | 39.94                    |
| 3. Other liabilities  | <u>75,366.81</u> |                          | <u>221,054.91</u>        |
|   |                  | <u>87,314.05</u>         | <u>229,248.77</u>        |
|   |                  | <b><u>765,412.90</u></b> | <b><u>802,329.54</u></b> |

## INCOME STATEMENT

from January 1 to December 31, 2019

|   | EUR              | Financial year<br>EUR | Previous year<br>EUR    |
|---|------------------|-----------------------|-------------------------|
| 1. Sales  |                  | 939,165.66            | 1,088,343.46            |
| <b>2. Gross revenue for the period</b>  |                  | <u>939,165.66</u>     | <u>1,088,343.46</u>     |
| 3. Other operating income   |                  |                       |                         |
| a) Miscellaneous other operating income   |                  | 8,465.86              | 6,059.04                |
| - of which currency translation gains EUR 223.08<br>(EUR 159.04)  |                  |                       |                         |
| 4. Personnel expenses   |                  |                       |                         |
| a) Wages and salaries   | 571,614.93       |                       | 744,603.09              |
| b) Social security, post-employment and other employee<br>benefit costs   | <u>54,260.04</u> |                       | <u>47,122.19</u>        |
|   |                  | 625,874.97            | 791,725.28              |
| - of which in respect of old age pensions<br>EUR 3,120.00 (EUR 3,048.00)  |                  |                       |                         |
| 5. Other operating expenses   |                  |                       |                         |
| a) Vehicle fleet expenses   | 15,652.47        |                       | 17,834.38               |
| b) Advertising and travel expenses  | 64,903.54        |                       | 81,221.88               |
| c) Miscellaneous operating costs  | 127,750.22       |                       | 65,481.03               |
| d) Losses on write-downs or on disposal of current assets and<br>transfers to valuation allowances on receivables | 982.73           |                       | 0.00                    |
| e) Miscellaneous other operating expenses   | <u>419.33</u>    |                       | <u>19.33</u>            |
|   |                  | 209,708.29            | 164,556.62              |
| - of which currency translation losses EUR 419.33<br>(EUR 19.33)  |                  |                       |                         |
| 6. Interest and similar expenses  |                  | 2,002.00              | 0.00                    |
| 7. Taxes on income  |                  | <u>31,850.63</u>      | <u>39,065.71</u>        |
| <b>8. Net income/net loss after tax</b>   |                  | <u>78,195.63</u>      | <u>99,054.89</u>        |
| Carry forward   |                  | 78,195.63             | 99,054.89               |
| 9. Other taxes  |                  | <u>400.00</u>         | <u>0.00</u>             |
| <b>10. Net income for the financial year</b>  |                  | 77,795.63             | 99,054.89               |
| 11. Retained profits brought forward  |                  | <u>0.00</u>           | <u>22,362.33</u>        |
| <b>12. Net retained profits</b>   |                  | <u><u>0.00</u></u>    | <u><u>76,692.56</u></u> |

## Notes

### Financial Statement as at 31 December 2019

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#### A. GENERAL INFORMATION

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

The present financial statement for RadiSys GmbH (registered office: Höhenkirchen, Landkreis München, 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 receivables from affiliated companies 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)
- Mr. Jonathan Patrick Wilson, Portland USA (recalled in May 2019)
- Mr. Robert Charles Pippert, Wilson Dr., Prosper, Texas USA (appointed in May 2019)
- Mr. Nilesh Shashikant Mehta, Harrisburg LN, Plano Texas USA (appointed in May 2019)

##### 2. Information on employees

The company employed on average 3 employees in the financial year 2019.

## Notes

### Financial Statement as at 31 December 2019

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**3. Appropriation of profit**

The company's net income € 77,795.63 will be carried forward to new account.

**D. SIGNING OF THE FINANCIAL STATEMENT**

Munich, February 11 2020

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Robert Charles Pippert

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Nilesh Shashikant Mehta