PK Cables Nederland B.V.

ANNUAL REPORT 2018

PK Cables Nederland B.V.
Barbara Strozzilaan 101
1083 HN, Amsterdam, the Netherlands
Chamber of Commerce: 34.119.099
PK Cables Nederland B.V., Waalwijk, the Netherlands, Annual Report 2018

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Director’s report

General

The management board hereby presents its financial statements to its shareholder of PK Cables Nederland B.V. (the “Company”) for the year 2018.

Activities and results

During the year under review, the activities developed in line with expectation. The result for the year amounts to a loss of EUR 817 (2017: profit of 16,592). The equity of the Company amounts to EUR 63,492 (2017: 64,308).

Future outlook

The shareholder has indicated that they have the intention to liquidate the Company during 2019. Furthermore, Management is not aware of any further events that have occurred since the balance sheet date.

Subsequent events

Management is not aware of any significant events that have occurred since the balance sheet date that were not included in this annual report.

Amsterdam, March 19, 2019

Mr. P. Mital
Managing director

Sanne Group (Netherlands) B.V.
Managing director
Financial statements

Balance sheet as at December 31, 2018
(before appropriation of result)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from shareholder</td>
<td>63,807</td>
<td>63,832</td>
</tr>
<tr>
<td>Receivables</td>
<td>4,580</td>
<td>-</td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>1,133</td>
<td>-</td>
</tr>
<tr>
<td>Cash at banks</td>
<td>502</td>
<td>476</td>
</tr>
<tr>
<td></td>
<td><strong>70,022</strong></td>
<td><strong>64,308</strong></td>
</tr>
</tbody>
</table>

|                      |            |            |
|                      | **70,022** | **64,308** |
PK Cables Nederland B.V., Waalwijk, the Netherlands, Annual Report 2018

Balance sheet as at December 31, 2018
(before appropriation of result)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Other reserve</td>
<td>44,309</td>
<td>27,716</td>
</tr>
<tr>
<td>Unappropriated result</td>
<td>(817)</td>
<td>16,592</td>
</tr>
<tr>
<td></td>
<td>63,492</td>
<td>64,308</td>
</tr>
<tr>
<td>Short term liabilities</td>
<td>6,530</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>70,022</td>
<td>64,308</td>
</tr>
</tbody>
</table>
PK Cables Nederland B.V., Waalwijk, the Netherlands, Annual Report 2018

Statement of income for the period ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Net sales</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>817</td>
<td>(16,494)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>(817)</td>
<td>16,494</td>
</tr>
<tr>
<td>Net financial income (expense)</td>
<td>-</td>
<td>98</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>(817)</td>
<td>16,592</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Result after taxes</td>
<td>(817)</td>
<td>16,592</td>
</tr>
</tbody>
</table>
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General notes to the financial statements

General information
PK Cables Nederland B.V. ("the Company") was incorporated as a Company with limited liability under the laws of the Netherlands on July 29, 1999. The registered office of the Company is in Amsterdam, the Netherlands, under file number 34.119.099. The Company main objective of the Company is to act as a Wholesale of electronic and communication equipment and related parts.

Group structure
The Company headed by PKC Group OYJ, Helsinki, Finland.

Accounting policies
The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation
The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in Euros ("EUR").

Assets and liabilities are stated at nominal value unless otherwise stated.
The Company qualifies as micro sized company. However, the financial statements have been prepared based on the exemptions for a small sized company in accordance to article 396 Book 2 of the Dutch Civil Code.

Comparison previous year
The accounting principles remained unchanged compared to previous year.

Cash and cash equivalents
Cash and cash equivalents represent bank balances and deposits with terms of less than twelve months.

Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Revenue recognition
Interest income and related expenses are recognized in the income statement based on accrued amounts.

Dividend income is recognized in the income statement of the year in which the Company's legal right to receive payment is established. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Financial instruments
Financial instruments are primary financial instruments, such as receivables and payables and derivatives. For the principles of primary financial instruments, reference is made to the treatment per balance sheet item.
The Company does not make use of derivative financial instruments.
Corporate income tax
Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

The Company forms part of the fiscal unity with PKC Netherlands Holding B.V. which is also the head of the fiscal unity. The head of the fiscal unity is fully liable for the corporate income taxes and therefore no income tax is recognized in the financial statements of the Company.

Estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.
Notes to the balance sheet and the statement of income

Current assets

Due from shareholder
The amount due from shareholder relates to an interest free advance which is receivable at request.

Taxes receivable
The amount taxes receivable relates to value added taxes receivable for the year 2018.

Shareholder’s equity

Share capital
The issued capital amounts to EUR 100,000, consists of 1,000 shares with a par value of EUR 100. The paid-up capital amounts to 200 shares which represent EUR 20,000 of paid-up share capital.

Other reserves
The movements in the other reserves can be detailed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>27,717</td>
<td>27,712</td>
</tr>
<tr>
<td>Appropriated result</td>
<td>16,592</td>
<td>5</td>
</tr>
<tr>
<td>Closing balance</td>
<td>44,309</td>
<td>27,717</td>
</tr>
</tbody>
</table>

On July 9, 2018 during the general meeting it was decided to add the profit for the year to the other reserves for the year 2017.

Management proposes to the shareholder to add the loss of EUR 817 to the other reserves for the year 2018. This proposal is not yet incorporated in these financial statements.

Corporate income tax
The corporate income tax for the period under review is estimated to be nil since the Company included in a fiscal unity which is headed by PKC Netherlands Holding B.V.

Directors’ remuneration
During the period under review the Company had one director, who received no remuneration.

Employees
During the period under review the Company did not employ any personnel (previous year nil).
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Contingent liabilities
Fiscal unity
The Company forms part of the fiscal unity with PKC Netherlands Holding B.V. which is also the head of the fiscal unity. The head of the fiscal unity is fully liable for the corporate income taxes and therefore no income tax is recognized in the financial statements of the Company.

Subsequent events
Management is not aware of any significant events that have occurred since the balance sheet date that were not included in this annual report.

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