

## **Chromaviso A/S**

Tueager 1

8200 Aarhus N

Business Registration No

27525202

## **Annual report 01.11.2017 - 31.10.2018**

The Annual General Meeting adopted the annual report on 12.12.2018

### **Chairman of the General Meeting**

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Name: Anders Kristian Kryger Nielsen

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## Entity details

### Entity

Chromaviso A/S

Tueager 1

8200 Aarhus N

Central Business Registration No (CVR): 27525202

Registered in: Aarhus

Financial year: 01.11.2017 - 31.10.2018

Phone: 72406007

E-mail: akr@chromaviso.com

### Board of Directors

Steen Hvidt

Anne-Marie Krog

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Anders Geert Jensen

### Executive Board

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus 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 Chromaviso A/S for the financial year 01.11.2017 - 31.10.2018.

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 31.10.2018 and of the results of its operations for the financial year 01.11.2017 - 31.10.2018.

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.

Aarhus, 12.12.2018

### Executive Board

Anders Kristian Kryger  
Nielsen

Claus Munch Puggaard

### Board of Directors

Steen Hvidt

Anne-Marie Krog

Anders Kristian Kryger Nielsen

Claus Munch Puggaard

Anders Geert Jensen

# Independent auditor's extended review report

## To the shareholders of Chromaviso A/S

### Conclusion

We have performed an extended review of the financial statements of Chromaviso A/S for the financial year 01.11.2017 - 31.10.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.10.2018 and of the results of its operations for the financial year 01.11.2017 - 31.10.2018 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

## Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

### 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 extended review 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 extended review 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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.

Aarhus, 12.12.2018

## Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant

Identification No (MNE) mne23304

## Management commentary

### Primary activities

The Company's primary activity is to develop and deliver health-promoting light solutions to hospitals, the psychiatric sector and the nursing sector.

Further information about the company activities can be found at [www.chromaviso.com](http://www.chromaviso.com) or LinkedIn/Chromaviso

### Development in activities and finances

The company's result for the year is DKK 1.224k which by the management is considered satisfactory

### 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 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
<b>Gross profit</b>		<b>9.173.277</b>	<b>9.233.671</b>
Staff costs	1	(5.985.281)	(5.587.769)
Depreciation, amortisation and impairment losses		<u>(1.041.620)</u>	<u>(1.009.363)</u>
<b>Operating profit/loss</b>		<b>2.146.376</b>	<b>2.636.539</b>
Income from investments in group enterprises		8.531	0
Other financial income	2	168.827	132.994
Other financial expenses	3	<u>(739.695)</u>	<u>(594.780)</u>
<b>Profit/loss before tax</b>		<b>1.584.039</b>	<b>2.174.753</b>
Tax on profit/loss for the year	4	<u>(359.307)</u>	<u>(489.515)</u>
<b>Profit/loss for the year</b>		<b><u>1.224.732</u></b>	<b><u>1.685.238</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.224.732</u>	<u>1.685.238</u>
		<b><u>1.224.732</u></b>	<b><u>1.685.238</u></b>



## Balance sheet at 31.10.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Completed development projects		6.109.878	6.791.372
Development projects in progress		5.622.815	3.980.229
<b>Intangible assets</b>	<b>5</b>	<b><u>11.732.693</u></b>	<b><u>10.771.601</u></b>
Other fixtures and fittings, tools and equipment		320.811	268.195
Leasehold improvements		12.817	19.218
<b>Property, plant and equipment</b>	<b>6</b>	<b><u>333.628</u></b>	<b><u>287.413</u></b>
Investments in group enterprises		37.694	0
<b>Fixed asset investments</b>	<b>7</b>	<b><u>37.694</u></b>	<b><u>0</u></b>
<b>Fixed assets</b>		<b><u>12.104.015</u></b>	<b><u>11.059.014</u></b>
Manufactured goods and goods for resale		2.448.087	2.661.872
<b>Inventories</b>		<b><u>2.448.087</u></b>	<b><u>2.661.872</u></b>
Trade receivables		7.647.583	6.426.543
Contract work in progress	8	503.325	55.550
Receivables from group enterprises		2.920.744	1.919.890
Other receivables		609.081	235.577
Income tax receivable		663.860	928.576
Prepayments		280.959	279.667
<b>Receivables</b>		<b><u>12.625.552</u></b>	<b><u>9.845.803</u></b>
<b>Cash</b>		<b><u>8.135</u></b>	<b><u>6.596</u></b>
<b>Current assets</b>		<b><u>15.081.774</u></b>	<b><u>12.514.271</u></b>
<b>Assets</b>		<b><u>27.185.789</u></b>	<b><u>23.573.285</u></b>

## Balance sheet at 31.10.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
Contributed capital		606.000	606.000
Reserve for net revaluation according to the equity method		8.576	0
Reserve for development expenditure		3.690.551	2.409.334
Retained earnings		<u>1.610.160</u>	<u>1.675.221</u>
<b>Equity</b>		<b><u>5.915.287</u></b>	<b><u>4.690.555</u></b>
Deferred tax		<u>2.470.191</u>	<u>2.385.600</u>
<b>Provisions</b>		<b><u>2.470.191</u></b>	<b><u>2.385.600</u></b>
Bank loans		5.000.000	5.000.000
Debt to other credit institutions		<u>4.243.188</u>	<u>3.685.638</u>
<b>Non-current liabilities other than provisions</b>	9	<b><u>9.243.188</u></b>	<b><u>8.685.638</u></b>
Current portion of long-term liabilities other than provisions	9	1.300.876	1.059.989
Bank loans		1.737.351	2.011.413
Contract work in progress	8	752.380	0
Trade payables		3.505.945	3.281.276
Payables to associates		0	47.380
Other payables		<u>2.260.571</u>	<u>1.411.434</u>
<b>Current liabilities other than provisions</b>		<b><u>9.557.123</u></b>	<b><u>7.811.492</u></b>
<b>Liabilities other than provisions</b>		<b><u>18.800.311</u></b>	<b><u>16.497.130</u></b>
<b>Equity and liabilities</b>		<b><u>27.185.789</u></b>	<b><u>23.573.285</u></b>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

## Statement of changes in equity for 2017/18

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Reserve for development expenditure DKK</b>	<b>Retained earnings DKK</b>
Equity beginning of year	606.000	0	2.409.334	1.675.221
Transfer to reserves	0	0	1.281.217	(1.281.217)
Profit/loss for the year	0	8.576	0	1.216.156
<b>Equity end of year</b>	<b>606.000</b>	<b>8.576</b>	<b>3.690.551</b>	<b>1.610.160</b>
				<b>Total DKK</b>
Equity beginning of year				4.690.555
Transfer to reserves				0
Profit/loss for the year				1.224.732
<b>Equity end of year</b>				<b>5.915.287</b>

## Notes

	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	5.105.478	4.862.026
Pension costs	558.964	443.238
Other social security costs	88.508	76.303
Other staff costs	232.331	206.202
	<b>5.985.281</b>	<b>5.587.769</b>
Average number of employees	<b>11</b>	<b>10</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	153.819	101.157
Other interest income	15.008	31.837
	<b>168.827</b>	<b>132.994</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	0	199
Other financial expenses	739.695	594.581
	<b>739.695</b>	<b>594.780</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	0	(680.556)
Change in deferred tax	359.307	1.170.071
	<b>359.307</b>	<b>489.515</b>

## Notes

	<b>Completed develop- ment projects DKK</b>	<b>Develop- ment projects in progress DKK</b>
<b>5. Intangible assets</b>		
Cost beginning of year	9.417.285	3.980.229
Additions	174.880	1.642.586
<b>Cost end of year</b>	<b>9.592.165</b>	<b>5.622.815</b>
Amortisation and impairment losses beginning of year	(2.625.913)	0
Amortisation for the year	(856.374)	0
<b>Amortisation and impairment losses end of year</b>	<b>(3.482.287)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>6.109.878</b>	<b>5.622.815</b>

### Development projects

The Company's development projects in progress consist of development of projects to support the Company's primary activity and to further develop the Company's products. The development projects are transferred to completed development projects when completed and are all expected to generate profits in future. The development projects recognised proceed as expected.

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>6. Property, plant and equipment</b>		
Cost beginning of year	549.736	32.000
Additions	231.578	0
<b>Cost end of year</b>	<b>781.314</b>	<b>32.000</b>
Depreciation and impairment losses beginning of year	(281.541)	(12.782)
Depreciation for the year	(178.962)	(6.401)
<b>Depreciation and impairment losses end of year</b>	<b>(460.503)</b>	<b>(19.183)</b>
<b>Carrying amount end of year</b>	<b>320.811</b>	<b>12.817</b>

## Notes

	<b>Invest- ments in group enterprises DKK</b>
	<u>DKK</u>
<b>7. Fixed asset investments</b>	
Additions	38.823
Disposals	(9.705)
<b>Cost end of year</b>	<u><b>29.118</b></u>
Revaluations for the year	8.576
<b>Revaluations end of year</b>	<u><b>8.576</b></u>
<b>Carrying amount end of year</b>	<u><b>37.694</b></u>

	<b>2017/18 DKK</b>	<b>2016/17 DKK</b>
	<u>DKK</u>	<u>DKK</u>
<b>8. Contract work in progress</b>		
Contract work in progress	5.749.569	55.550
Progress billings regarding contract work in progress	(5.998.624)	0
Transferred to liabilities other than provisions	752.380	0
	<u><b>503.325</b></u>	<u><b>55.550</b></u>

	<b>Due within 12 months 2017/18 DKK</b>	<b>Due within 12 months 2016/17 DKK</b>	<b>Due after more than 12 months 2017/18 DKK</b>
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
<b>9. Liabilities other than provisions</b>			
Bank loans	0	0	5.000.000
Debt to other credit institutions	1.300.876	1.059.989	4.243.188
	<u><b>1.300.876</b></u>	<u><b>1.059.989</b></u>	<u><b>9.243.188</b></u>

	<b>2017/18 DKK</b>	<b>2016/17 DKK</b>
	<u>DKK</u>	<u>DKK</u>
<b>10. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<u><b>438.856</b></u>	<u><b>307.330</b></u>

## Notes

### **11. Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where Chomaviso Holding ApS serves as the administration company. According to the joint taxation provisions 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 statements.

### **12. Assets charged and collateral**

The Company has granted a floating charge of DKK 7,500k on trade receivables, inventories, goodwill, operating equipment and vehicles. The value of the floating charge is DKK 10.430k at 31.10.2018.

On behalf of the Company, Nordea has issued performance bonds totalling DKK 1,052,030.

The Company has guaranteed Chromaviso IP ApS' debt to Nordea. The company's bank debt amounts to DKK 267k at 31.10.2018. The guarantee has a maximum amount of DKK 300k.

## 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 reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of raw materials and consumables and external expenses.

#### 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

#### 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 writedowns 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.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 intra-group profits or losses.



## Accounting policies

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, 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, 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.

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

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.

The cost of development projects comprises costs such as salaries and amortisation that are directly 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. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment 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..

## Accounting policies

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	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of 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 value

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

Investments in group enterprises 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.

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 writedowns for bad and doubtful debts.

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

## Accounting policies

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

### **Income tax payable or receivable**

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

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **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.

### **Other financial liabilities**

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