

Gassonic A/S
Lyngby Hovedgade 10, 2800 Kgs. Lyngby

Annual report

2015

Company reg. no. 27 52 63 65

The annual report have been submitted and approved by the general meeting on the 20 June 2016.

Martin Tranderup Olesen
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Gassonic A/S for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

The annual report is recommended for approval by the general meeting.

Kgs. Lyngby, 9 June 2016

Managing Director

Martin Tranderup Olesen

Board of directors

Martin Tranderup Olesen

Bob Willem Leenen

Ronald Nelson Herring Jr

The independent auditor's report on the annual accounts

To the shareholders of Gassonic A/S

We have audited the annual accounts of Gassonic A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's report on the annual accounts

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 9 June 2016

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant

Company data

The company

Gassonic A/S
Lyngby Hovedgade 10
2800 Kgs. Lyngby

Company reg. no. 27 52 63 65
Established: 22 June 2006
Domicile: Lyngby
Financial year: 1 January - 31 December
 10th financial year

Board of directors

Martin Tranderup Olesen
Bob Willem Leenen
Ronald Nelson Herring Jr

Managing Director

Martin Tranderup Olesen

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Accounting policies used

The annual report for Gassonic A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Accounting policies used

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Acquired rights

Acquired rights are listed at cost price less accumulated amortisation or at recoverable value if this value is lower.

Acquired rights are subject to straight-line amortisation during the amortisation period, which is usually 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Leasehold improvement	5 years
Other plants, operating assets, fixtures and furniture	3-5 years

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Net turnover	4.331.532	5.253.816
Raw materials and consumables used	-2.123	-58.786
Other external costs	-442.487	-3.586.797
Gross results	3.886.922	1.608.233
2 Staff costs	-1.292.793	-1.186.549
Amortisation and writedown relating to intangible fixed assets	-40.776	-40.774
Operating profit	2.553.353	380.910
Other financial income	30.629	158.126
Other financial costs	-3.314	0
Results before tax	2.580.668	539.036
3 Tax on ordinary results	-622.792	-318.869
Results for the year	1.957.876	220.167
Proposed distribution of the results:		
Allocated to results brought forward	1.957.876	220.167
Distribution in total	1.957.876	220.167

Balance sheet 31 December

All amounts in DKK.

Assets

<u>Note</u>	<u>2015</u>	<u>2014</u>
Fixed assets		
4 Acquired rights	59.247	100.023
Intangible fixed assets in total	59.247	100.023
5 Tangible fixed assets	0	0
Tangible fixed assets in total	0	0
Deposits	139.392	139.392
Financial fixed assets in total	139.392	139.392
Fixed assets in total	198.639	239.415
Current assets		
Amounts owed by group enterprises	1.272.463	479.852
Deferred tax assets	160.000	400.000
Receivable corporate tax	0	34.871
Other debtors	138.478	140.289
Accrued income and deferred expenses	79.447	97.056
Debtors in total	1.650.388	1.152.068
Cash funds	21.907.530	21.267.012
Current assets in total	23.557.918	22.419.080
Assets in total	23.756.557	22.658.495

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
6	Contributed capital	2.655.000	2.655.000
7	Results brought forward	19.869.048	17.911.172
	Equity in total	<u>22.524.048</u>	<u>20.566.172</u>
Liabilities			
	Trade creditors	182.506	153.795
	Corporate tax	191.175	0
	Other debts	840.564	1.934.594
	Accrued expenses and deferred income	18.264	3.934
	Short-term liabilities in total	<u>1.232.509</u>	<u>2.092.323</u>
	Liabilities in total	<u>1.232.509</u>	<u>2.092.323</u>
	Equity and liabilities in total	<u>23.756.557</u>	<u>22.658.495</u>

8 Contingencies

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The main activity have included trade and development of gas leak detectors.

	2015	2014
	<hr/>	<hr/>
2. Staff costs		
Salaries and wages	1.219.472	1.072.411
Other costs for social security	69.497	107.815
Other staff costs	3.824	6.323
	<hr/>	<hr/>
	1.292.793	1.186.549
	<hr/>	<hr/>

3. Tax on ordinary results

Tax of the results for the year	382.792	535.129
Adjustment for the year of deferred tax	240.000	-400.000
Adjustment of tax for previous years	0	183.740
	<hr/>	<hr/>
	622.792	318.869
	<hr/>	<hr/>

4. Acquired rights

	Acquired rights
	<hr/>
Kostpris 1. januar	880.358
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Kostpris 31. december	880.358
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Af- og nedskrivninger 1. januar	780.335
Årets afskrivninger	40.776
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Af- og nedskrivninger 31. december	821.111
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Regnskabsmæssig værdi 31. december	59.247
	<hr/>

Notes

All amounts in DKK.

5. Tangible fixed assets

	Other plants, operating assets, fixtures and furniture	Leasehold improvement
Kostpris 1. januar	114.051	14.542
Kostpris 31. december	114.051	14.542
Af- og nedskrivninger 1. januar	114.051	14.542
Af- og nedskrivninger 31. december	114.051	14.542

6. Contributed capital

Contributed capital 1 January	2.655.000	2.655.000
	2.655.000	2.655.000

7. Results brought forward

Results brought forward 1 January	17.911.172	17.691.005
Profit or loss for the year brought forward	1.957.876	220.167
	19.869.048	17.911.172

8. Contingencies

Contingent liabilities

As a result of the Demerger of Innova Air Tech Instruments A/S into two companies, Air Tech A/S and Gassonic A/S are jointly and severally liable in accordance with Section 254, subsection 2 of Danish Companies Act for debts obligations arising after 1 January 2006 which cannot be clearly attributed to either Air Tech A/S or Gassonic A/S. The liability is limited to the company's net assets on 1 January 2006.

The company has not provided mortgage or provision of security pr. 31 December 2015.

Notes

All amounts in DKK.

8. Contingencies (continued)

Operational leasing

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 82.600. The leasing contracts have 14 months left to run, and the total outstanding leasing payment is DKK 96.400.