

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

Annual report

2016

Company reg. no. 27 52 63 65

The annual report have been submitted and approved by the general meeting on the 12 May 2017.

Bob Willem Leenen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 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 2016.

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 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Kgs. Lyngby, 12 May 2017

Managing Director

Clive Tyrer

Board of directors

Clive Tyrer

Bob Willem Leenen

Joakim Birgersson

Independent auditor's report

To the shareholders of Gassonic A/S

Opinion

We have audited the annual accounts of Gassonic A/S for the financial year 1 January to 31 December 2016, 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities 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. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 accounts 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 contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 May 2017

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
11th financial year

Board of directors

Clive Tyrer
Bob Willem Leenen
Joakim Birgersson

Managing Director

Clive Tyrer

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø
Phone +45 35 38 48 88
www.martinsen.dk

Management's review

The principal activities of the enterprise

Trade and development of gas leak detectors.

Development in activities and financial matters

The gross profit for the year is DKK 3.367.670 against DKK 3.886.922 last year. The results from ordinary activities after tax are DKK 1.719.427 against DKK 1.957.876 last year. The management consider the results satisfactory.

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. Furthermore, the company has chosen to comply with some of the rules applying for class C 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

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

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

Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

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

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 any 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

Accounting policies used

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.

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.

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>2016</u>	<u>2015</u>
Gross profit	3.367.670	3.886.922
1 Staff costs	-1.207.347	-1.292.793
Amortisation and writedown relating to intangible fixed assets	-40.776	-40.776
Operating profit	2.119.547	2.553.353
Other financial income	130.301	30.629
Other financial costs	-43.931	-3.314
Results before tax	2.205.917	2.580.668
2 Tax on ordinary results	-486.490	-622.792
Results from ordinary activities after tax	1.719.427	1.957.876
Results for the year	1.719.427	1.957.876
Proposed distribution of the results:		
Allocated to results brought forward	1.719.427	1.957.876
Distribution in total	1.719.427	1.957.876

Balance sheet 31 December

All amounts in DKK.

Assets

<u>Note</u>	<u>2016</u>	<u>2015</u>
Fixed assets		
3 Acquired rights	18.472	59.247
Intangible fixed assets in total	18.472	59.247
4 Other plants, operating assets, and fixtures and furniture	0	0
Tangible fixed assets in total	0	0
Fixed assets in total	18.472	59.247
Current assets		
Amounts owed by group enterprises	1.969.549	1.272.463
Deferred tax assets	10.000	160.000
Other debtors	269.286	277.870
Accrued income and deferred expenses	47.356	79.447
Debtors in total	2.296.191	1.789.780
Available funds	22.333.589	21.907.530
Current assets in total	24.629.780	23.697.310
Assets in total	24.648.252	23.756.557

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity		
5 Contributed capital	2.655.000	2.655.000
6 Results brought forward	<u>21.588.475</u>	<u>19.869.048</u>
Equity in total	<u>24.243.475</u>	<u>22.524.048</u>
Liabilities		
Trade creditors	99.446	258.706
Corporate tax	223.006	191.175
Other debts	82.325	764.364
Accrued expenses and deferred income	<u>0</u>	<u>18.264</u>
Short-term liabilities in total	<u>404.777</u>	<u>1.232.509</u>
Liabilities in total	<u>404.777</u>	<u>1.232.509</u>
Equity and liabilities in total	<u>24.648.252</u>	<u>23.756.557</u>

7 Contingencies

Notes

All amounts in DKK.

	2016	2015
1. Staff costs		
Salaries and wages	1.104.949	1.219.472
Other costs for social security	91.747	69.497
Other staff costs	10.651	3.824
	1.207.347	1.292.793
 Average number of employees	 1	 1
2. Tax on ordinary results		
Tax of the results for the year	336.490	382.792
Adjustment for the year of deferred tax	150.000	240.000
	486.490	622.792
3. Acquired rights		
Cost 1 January	880.358	880.358
Cost 31 December	880.358	880.358
Amortisation and writedown 1 January	-821.110	-780.335
Amortisation and writedown for the year	-40.776	-40.776
Amortisation and writedown 31 December	-861.886	-821.111
 Book value 31 December	 18.472	 59.247

Notes

All amounts in DKK.

	31/12 2016	31/12 2015
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January	114.051	114.051
Disposals during the year	-114.051	0
Cost 31 December	0	114.051
Amortisation and writedown 1 January	-114.051	-114.051
Depreciation and writedown, assets disposed of	114.051	0
Amortisation and writedown 31 December	0	-114.051
Book value 31 December	0	0
5. Contributed capital		
Contributed capital 1 January	2.655.000	2.655.000
	2.655.000	2.655.000
6. Results brought forward		
Results brought forward 1 January	19.869.048	17.911.172
Profit or loss for the year brought forward	1.719.427	1.957.876
	21.588.475	19.869.048

7. Contingencies

Contingent liabilities

The company has not provided mortgage or provision of security pr. 31 December 2016.