

Gassonic A/S

Kalvebod Brygge 39, 1560 København

Annual report

2019

Company reg. no. 27 52 63 65

The annual report was submitted and approved by the general meeting on the 31 August 2020.

Richard William Roda
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, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Gassonic A/S for the financial year 2019.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January - 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 26 August 2020

Managing Director

Richard William Roda

Board of directors

James Michael Daugherty Jr.

Bob Willem Leenen

Richard William Roda

Independent auditor's report

To the shareholders of Gassonic A/S

Opinion

We have audited the financial statements of Gassonic A/S for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 26 August 2020

Martinsen

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

Michael Marseen

State Authorised Public Accountant
mne32165

Company information

The company

Gassonic A/S
Kalvebod Brygge 39
1560 København

Company reg. no. 27 52 63 65
Established: 22 June 2006
Domicile: Copenhagen
Financial year: 1 January - 31 December
14th financial year

Board of directors

James Michael Daugherty Jr.
Bob Willem Leenen
Richard William Roda

Managing Director

Richard William Roda

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø

Management commentary

The principal activities of the company

Trade of gas leak detectors.

Development in activities and financial matters

The gross profit for the year totals DKK 5.489.021 against DKK 5.030.104 last year. Income or loss from ordinary activities after tax totals DKK 2.347.199 against DKK 2.147.989 last year.

Management considers the net profit for the year satisfactory.

Accounting policies

The annual report for Gassonic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible 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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	5.489.021	5.030.104
1 Staff costs	-2.458.077	-2.401.329
Depreciation and impairment of property, land, and equipment	0	-5.624
Operating profit	3.030.944	2.623.151
Other financial income	18.656	18.322
Other financial costs	-20.865	-640
Pre-tax net profit	3.028.735	2.640.833
2 Tax on net profit or loss for the year	-681.536	-492.844
Net profit or loss for the year	2.347.199	2.147.989
Proposed appropriation of net profit:		
Transferred to retained earnings	2.347.199	2.147.989
Total allocations and transfers	2.347.199	2.147.989

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
3	Acquired right	<u>0</u>	<u>0</u>
	Total intangible assets	<u>0</u>	<u>0</u>
	Total non-current assets	<u>0</u>	<u>0</u>
Current assets			
	Receivables from group enterprises	345.278	3.035.242
	Other receivables	13.261	219.094
	Prepayments and accrued income	<u>0</u>	<u>57.772</u>
	Total receivables	<u>358.539</u>	<u>3.312.108</u>
	Cash on hand and demand deposits	<u>28.638.706</u>	<u>23.271.163</u>
	Total current assets	<u>28.997.245</u>	<u>26.583.271</u>
	Total assets	<u>28.997.245</u>	<u>26.583.271</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
Contributed capital		2.655.000	2.655.000
Retained earnings		25.516.375	23.169.177
Total equity		28.171.375	25.824.177
Liabilities other than provisions			
Trade payables		60.000	66.574
Income tax payable		667.722	491.467
Other payables		98.148	201.053
Total short term liabilities other than provisions		825.870	759.094
Total liabilities other than provisions		825.870	759.094
Total equity and liabilities		28.997.245	26.583.271

4 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2018	2.655	21.021	23.676
Profit or loss for the year brought forward	0	2.148	2.148
Equity 1 January 2019	2.655	23.169	25.824
Profit or loss for the year brought forward	0	2.347	2.347
	2.655	25.516	28.171

Notes

All amounts in DKK.

	2019	2018
1. Staff costs		
Salaries and wages	2.452.529	2.390.250
Other costs for social security	5.548	11.079
	<u>2.458.077</u>	<u>2.401.329</u>
 Average number of employees	 <u>2</u>	 <u>2</u>
2. Tax on net profit or loss for the year		
Tax of the results for the year	667.722	492.844
Adjustment of tax for previous years	13.814	0
	<u>681.536</u>	<u>492.844</u>
3. Acquired right		
Cost 1 January	880.358	880.358
Cost 31 December	<u>880.358</u>	<u>880.358</u>
Amortisation and writedown 1 January	-880.358	-874.734
Amortisation and writedown for the year	0	-5.624
Amortisation and writedown 31 December	<u>-880.358</u>	<u>-880.358</u>
 Carrying amount, 31 December	 <u>0</u>	 <u>0</u>
4. Contingencies		
Contingent liabilities		
The company has no contingent liabilities or collateral on 31 December 2019.		