

**Gan Integrity Solutions ApS
Central Business Registration No
28279779**

**Christian IXs Gade 5, 2.
1111 København K**

Annual report 2015

The Annual General Meeting adopted the annual report on 25.05.2016

Chairman of the General Meeting

Name: Thomas John Sehested

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	11
Balance sheet at 31.12.2015	12
Statement of changes in equity for 2015	14
Notes	15

Entity details

Entity

Gan Integrity Solutions ApS
Christian IXs Gade 5, 2.
1111 København K

Central Business Registration No: 28279779
Registered in: København
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Thomas John Sehested, chairman
Jimmy Lee
Claus Højbjerg Andersen

Executive Board

Claus Højbjerg Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 Gan Integrity Solutions ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Copenhagen, 25.05.2016

Executive Board

Claus Højbjerg Andersen

Board of Directors

Thomas John Sehested
chairman

Jimmy Lee

Claus Højbjerg Andersen

Independent auditor's reports

To the owners of Gan Integrity Solutions ApS

Report on the financial statements

We have audited the financial statements of Gan Integrity Solutions ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements 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 financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 25.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jacob Simonsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The company's main activities is to offer consulting services with specialization in international managements consulting and other managements consulting.

Development in activities and finances

The loss of the year is DKK 5,227k. The total assets is DKK 11,765k and the equity is DKK 4,023k.

The company has carried out a capital increase of DKK 216k in the financial year. The total capital increase including share premium is DKK 5,918k.

The company is monitoring its cash position and cash resources continuously. After year end the company has secured financing off the expected cash burn for 2016 from its current investors.

Events after the balance sheet date

No events, except as mentioned above, have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

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 for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Accounting policies

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made 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).

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 write-downs 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies 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 as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

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.

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 2-5 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

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.

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 years
--	---------

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 measured at cost and are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs 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.

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.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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 bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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

Accounting policies

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross profit		1.850.564	2.755
Staff costs	1	(7.728.326)	(3.067)
Depreciation, amortisation and impairment losses	2	<u>(761.611)</u>	<u>(278)</u>
Operating profit/loss		(6.639.373)	(590)
Other financial income	3	5.400	5
Other financial expenses	4	<u>(169.450)</u>	<u>(165)</u>
Profit/loss from ordinary activities before tax		(6.803.423)	(750)
Tax on profit/loss from ordinary activities	5	<u>1.576.558</u>	<u>244</u>
Profit/loss for the year		<u>(5.226.865)</u>	<u>(506)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(5.226.865)</u>	<u>(506)</u>
		<u>(5.226.865)</u>	<u>(506)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Completed development projects		2.404.761	572
Development projects in progress		<u>2.775.678</u>	<u>3.252</u>
Intangible assets	6	<u>5.180.439</u>	<u>3.824</u>
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>0</u>
Property, plant and equipment	7	<u>0</u>	<u>0</u>
Investments in group enterprises		61.750	0
Deposits		<u>94.213</u>	<u>82</u>
Fixed asset investments	8	<u>155.963</u>	<u>82</u>
Fixed assets		<u>5.336.402</u>	<u>3.906</u>
Trade receivables		1.241.313	1.053
Contract work in progress	9	39.245	306
Receivables from group enterprises		2.975.574	0
Receivables from associates		0	14
Other short-term receivables		177.006	7
Income tax receivable		1.595.776	578
Prepayments		<u>0</u>	<u>40</u>
Receivables		<u>6.028.914</u>	<u>1.998</u>
Cash		<u>399.604</u>	<u>20</u>
Current assets		<u>6.428.518</u>	<u>2.018</u>
Assets		<u><u>11.764.920</u></u>	<u><u>5.924</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	10	788.083	572
Share premium		0	3.753
Retained earnings		3.235.014	(993)
Equity		<u>4.023.097</u>	<u>3.332</u>
Provisions for deferred tax		383.600	550
Provisions		<u>383.600</u>	<u>550</u>
Bank loans		0	274
Non-current liabilities other than provisions		<u>0</u>	<u>274</u>
Current portion of long-term liabilities other than provisions		0	205
Bank loans		4.058.517	70
Trade payables		1.039.429	397
Other payables		1.551.736	832
Deferred income		708.541	264
Current liabilities other than provisions		<u>7.358.223</u>	<u>1.768</u>
Liabilities other than provisions		<u>7.358.223</u>	<u>2.042</u>
Equity and liabilities		<u>11.764.920</u>	<u>5.924</u>
Unrecognised rental and lease commitments	11		
Contingent assets	12		
Assets charged and collateral	13		

Statement of changes in equity for 2015

	Contributed capital DKK	Share pre- mium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	572.280	3.752.820	(993.428)	3.331.672
Increase of capital	215.803	0	5.702.487	5.918.290
Transferred from share premium	0	(3.752.820)	3.752.820	0
Profit/loss for the year	0	0	(5.226.865)	(5.226.865)
Equity end of year	788.083	0	3.235.014	4.023.097

Notes

	2015 DKK	2014 DKK'000
1. Staff costs		
Wages and salaries	7.259.244	3.196
Pension costs	137.856	48
Other social security costs	331.226	(177)
	7.728.326	3.067
	2015 DKK	2014 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	761.611	198
Impairment losses on intangible assets	0	80
	761.611	278
	2015 DKK	2014 DKK'000
3. Other financial income		
Interest income	222	1
Exchange rate adjustments	5.178	4
	5.400	5
	2015 DKK	2014 DKK'000
4. Other financial expenses		
Interest expenses	114.099	96
Exchange rate adjustments	18.012	47
Other financial expenses	37.339	22
	169.450	165
	2015 DKK	2014 DKK'000
5. Tax on ordinary profit/loss for the year		
Current tax	(1.410.358)	(556)
Change in deferred tax for the year	(166.200)	601
Adjustment relating to previous years	0	(289)
	(1.576.558)	(244)

Adjustment relating to previous years relates to recognition of tax credit.

Notes

	Completed development projects DKK	Development projects in progress DKK
6. Intangible assets		
Cost beginning of year	1.486.628	3.332.121
Additions	2.594.867	2.118.887
Disposals	0	(2.594.867)
Cost end of year	4.081.495	2.856.141
Amortisation and impairment losses beginning of year	(915.123)	(80.463)
Amortisation for the year	(761.611)	0
Amortisation and impairment losses end of year	(1.676.734)	(80.463)
Carrying amount end of year	2.404.761	2.775.678
		Other fix- tures and fittings, tools and equipment DKK
7. Property, plant and equipment		
Cost beginning of year		26.207
Cost end of year		26.207
Depreciation and impairment losses beginning of the year		(26.207)
Depreciation and impairment losses end of the year		(26.207)
Carrying amount end of year		0
	Investments in group enterprises DKK	Deposits DKK
8. Fixed asset investments		
Cost beginning of year	0	81.520
Additions	61.750	12.693
Cost end of year	61.750	94.213
Carrying amount end of year	61.750	94.213

Notes

	<u>Registered in</u>	<u>Equity interest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Subsidiaries:				
Gan Integrity Inc.	USA	100,00	107.426	45.676

	<u>2015 DKK</u>	<u>2014 DKK'000</u>
9. Contract work in progress		
Contract work in progress	39.245	3.121
Progress billings regarding contract work in progress	0	(2.815)
	<u>39.245</u>	<u>306</u>

	<u>2015 DKK</u>	<u>2014 DKK</u>	<u>2013 DKK</u>	<u>2012 DKK</u>	<u>2011 DKK</u>
10. Contributed capital					
Changes in contributed capital					
Contributed capital beginning of year	572.280	480.588	245.100	245.100	245.100
Increase of capital	215.803	91.692	235.488	0	0
Contributed capital end of year	<u>788.083</u>	<u>572.280</u>	<u>480.588</u>	<u>245.100</u>	<u>245.100</u>

	<u>2015 DKK</u>	<u>2014 DKK'000</u>
11. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>656.250</u>	<u>318</u>

12. Contingent assets

The company has defferable tax losses worth DKK 752k.

13. Assets charged and collateral

The company has submitted indemnity bond (Company charge) of DKK 1.000.000 in the company's moveables.