

## **North Star Systems ApS**

Fiskerikajerne 16

8500 Grenaa

Business Registration No

29445729

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 31.05.2018

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

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Name: Peter Kristiansen

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## Entity details

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### Entity

North Star Systems ApS  
Fiskerikajerne 16  
8500 Grenaa

Central Business Registration No (CVR): 29445729

Registered in: Norddjurs

Financial year: 01.01.2017 - 31.12.2017

### Executive Board

Peter Kristiansen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

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The Executive Board have today considered and approved the annual report of North Star Systems ApS for the financial year 01.01.2017 - 31.12.2017.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Grenaa, 31.05.2018

**Executive Board**

Peter Kristiansen

## Independent auditor's reports

### To the shareholders of North Star Systems ApS

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of North Star Systems ApS for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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. 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.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

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

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.

#### Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### 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.

## Independent auditor's reports

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 the 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, 31.05.2018

### **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 activities consist in making investments, providing consultancy services as well as renting out property.

### **Development in activities and finances**

Profit for the year of DKK 1.946k 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

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross profit/loss</b>		<b>(537.690)</b>	<b>678.878</b>
Depreciation, amortisation and impairment losses		(8.986)	0
<b>Operating profit/loss</b>		<b>(546.676)</b>	<b>678.878</b>
Other financial income	2	7	130.707
Other financial expenses	3	(301.608)	(211.409)
<b>Profit/loss before tax</b>		<b>(848.277)</b>	<b>598.176</b>
Tax on profit/loss for the year	4	2.794.060	(139.060)
<b>Profit/loss for the year</b>		<b>1.945.783</b>	<b>459.116</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		1.945.783	459.116
		<b>1.945.783</b>	<b>459.116</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Plant and machinery		32.092	0
<b>Property, plant and equipment</b>	5	<b>32.092</b>	<b>0</b>
Other receivables		0	1.533.301
<b>Fixed asset investments</b>	6	<b>0</b>	<b>1.533.301</b>
<b>Fixed assets</b>		<b>32.092</b>	<b>1.533.301</b>
Trade receivables		1.207.983	1.364.697
Receivables from group enterprises		627.922	0
Deferred tax	7	2.655.000	0
Other receivables		0	8.930
Prepayments		876	0
<b>Receivables</b>		<b>4.491.781</b>	<b>1.373.627</b>
<b>Cash</b>		<b>41</b>	<b>34</b>
<b>Current assets</b>		<b>4.491.822</b>	<b>1.373.661</b>
<b>Assets</b>		<b>4.523.914</b>	<b>2.906.962</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		<u>3.057.435</u>	<u>1.111.652</u>
<b>Equity</b>		<b><u>3.182.435</u></b>	<b><u>1.236.652</u></b>
Bank loans		302.379	2.310
Trade payables		24.406	448.321
Payables to group enterprises		1.009.217	1.080.619
Income tax payable		0	139.060
Other payables		<u>5.477</u>	<u>0</u>
<b>Current liabilities other than provisions</b>		<b><u>1.341.479</u></b>	<b><u>1.670.310</u></b>
<b>Liabilities other than provisions</b>		<b><u>1.341.479</u></b>	<b><u>1.670.310</u></b>
<b>Equity and liabilities</b>		<b><u>4.523.914</u></b>	<b><u>2.906.962</u></b>
Staff costs	1		
Contingent liabilities	8		
Assets charged and collateral	9		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	125.000	1.111.652	1.236.652
Profit/loss for the year	0	1.945.783	1.945.783
<b>Equity end of year</b>	<b>125.000</b>	<b>3.057.435</b>	<b>3.182.435</b>

## Notes

	<u>2017</u>	<u>2016</u>
<b>1. Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	0	30.010
Other interest income	7	0
Exchange rate adjustments	<u>0</u>	<u>100.697</u>
	<u>7</u>	<u>130.707</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
<b>3. Other financial expenses</b>		
Financial expenses from associates	249.568	152.791
Other interest expenses	9.111	33.021
Fair value adjustments	5.822	0
Other financial expenses	<u>37.107</u>	<u>25.597</u>
	<u>301.608</u>	<u>211.409</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
<b>4. Tax on profit/loss for the year</b>		
Current tax	0	139.060
Change in deferred tax	(2.655.000)	0
Adjustment concerning previous years	<u>(139.060)</u>	<u>0</u>
	<u>(2.794.060)</u>	<u>139.060</u>

## Notes

	<b>Plant and machinery DKK</b>
<b>5. Property, plant and equipment</b>	
Additions	41.078
<b>Cost end of year</b>	<b>41.078</b>
Depreciation for the year	(8.986)
<b>Depreciation and impairment losses end of year</b>	<b>(8.986)</b>
<b>Carrying amount end of year</b>	<b>32.092</b>

### 6. Fixed asset investments

Other receivables consists of subordinated loans to Seqtor ApS.

### 7. Deferred tax

Deferred tax consists of previous years' tax losses as well as temporary differences between the carrying amounts and tax-based values of property, plant and equipment.

The Company expects to be able to utilize previous years' tax losses within the next three years.

### 8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where North Star 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.

### 9. Assets charged and collateral

Bank loans are secured by a mortgage registered to the mortgagor of DKK 2,037k.

## 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.

### 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

#### 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.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

#### 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.

## Accounting policies

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment 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 property, plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises 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, net capital or exchange losses on securities, payables and transactions in foreign currencies 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.

The Entity is jointly taxed with the Danish parent Company North Star Holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### 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	5 years
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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.

## Accounting policies

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### 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.

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.

### Prepayments

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

### Cash

Cash comprises bank deposits.

### Other financial liabilities

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

### Income tax receivable or payable

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