

North Star Systems ApS
Fiskerikajerne 16
8500 Grenaa
Central Business Registration No
29445729

Annual report 2016

The Annual General Meeting adopted the annual report on 08.06.2017

Chairman of the General Meeting

Name: Peter Kristiansen

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Entity details

Entity

North Star Systems ApS
Fiskerikajerne 16
8500 Grenaa

Central Business Registration No: 29445729

Registered in: Norddjurs

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Peter Kristiansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of North Star Systems ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

I 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.

Grenaa, 08.06.2017

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 01.01.2016 - 31.12.2016. 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

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.

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, 08.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Klaus Tvede-Jensen
State Authorised Public Accountant

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 459k 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 2016

	Notes	2016	2015
		DKK	DKK
Gross profit		678.878	(240.448)
Other financial income	1	130.707	28.856
Other financial expenses	2	<u>(211.409)</u>	<u>(132.482)</u>
Profit/loss before tax		598.176	(344.074)
Tax on profit/loss for the year	3	<u>(139.060)</u>	<u>0</u>
Profit/loss for the year		<u>459.116</u>	<u>(344.074)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>459.116</u>	<u>(344.074)</u>
		<u>459.116</u>	<u>(344.074)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other receivables		1.533.301	1.522.331
Fixed asset investments	4	1.533.301	1.522.331
Fixed assets		1.533.301	1.522.331
Trade receivables		1.364.697	0
Receivables from group enterprises		1.780.533	1.460.750
Other receivables		8.930	41.779
Prepayments		0	1.381
Receivables		3.154.160	1.503.910
Cash		34	34
Current assets		3.154.194	1.503.944
Assets		4.687.495	3.026.275

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		1.111.652	652.536
Equity		<u>1.236.652</u>	<u>777.536</u>
Bank loans		2.310	1.607.776
Trade payables		448.321	496.852
Payables to group enterprises		830.876	144.111
Payables to associates		2.030.276	0
Income tax payable		139.060	0
Current liabilities other than provisions		<u>3.450.843</u>	<u>2.248.739</u>
Liabilities other than provisions		<u>3.450.843</u>	<u>2.248.739</u>
Equity and liabilities		<u>4.687.495</u>	<u>3.026.275</u>
Contingent liabilities	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	652.536	777.536
Profit/loss for the year	0	459.116	459.116
Equity end of year	125.000	1.111.652	1.236.652

Notes

	2016	2015
	DKK	DKK
1. Other financial income		
Financial income arising from group enterprises	30.010	28.856
Exchange rate adjustments	100.697	0
	130.707	28.856

	2016	2015
	DKK	DKK
2. Other financial expenses		
Financial expenses from associates	152.791	16.857
Interest expenses	33.021	48.780
Other financial expenses	25.597	66.845
	211.409	132.482

	2016	2015
	DKK	DKK
3. Tax on profit/loss for the year		
Tax on current year taxable income	139.060	0
	139.060	0

4. Fixed asset investments

Other receivables consists of subordinated loans to Seqtor ApS.

5. Contingent liabilities

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

The Entity participates in a Danish joint taxation arrangement in which 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 from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

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.

The accounting policies applied to these financial statements are consistent with those applied last year, however with a few reclassifications.

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 cost of sales for 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

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 exchange losses on payables and transactions 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.

Balance sheet

Receivables

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

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