



North Star Systems ApS

Fiskerikajerne 16
8500 Grenaa
CVR No. 29445729

Annual report 2019

The Annual General Meeting adopted the
annual report on 14.05.2020

Peter Skovmand Jensen
Conductor

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	13

Entity details

Entity

North Star Systems ApS

Fiskerikajerne 16

8500 Grenaa

CVR No.: 29445729

Registered office: Norddjurs

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Bruce Maclean Crowell

Julian Mher Setian

Executive Board

Peter Skovmand Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of North Star Systems ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Grenaa, 14.05.2020

Executive Board

Peter Skovmand Jensen

Board of Directors

Bruce Maclean Crowell

Julian Mher Setian

Independent auditor's extended review report

To the shareholders of North Star Systems ApS

Conclusion

We have performed an extended review of the financial statements of North Star Systems ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the 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.

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 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, 14.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant
Identification No (MNE) mne23304

Management commentary

Primary activities

The Company's primary activities consist in developing and selling Information Technology and consultancy related to this.

Development in activities and finances

In 2019 the Company has focused on product development in order to improve the market position.

Loss for the year of DKK 1,233k is not considered satisfactory.

The Company's equity is negative by DKK 117k and the Company has thus lost its share capital.

However, after the change in ownership in January 2020, the Company is part of a new group that supports the continued operations and growth.

In connection with the change in ownership the Company's liquidity has been improved substantially.

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 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(1,295,350)	(483,492)
Staff costs	1	(1,258,882)	(235,882)
Depreciation, amortisation and impairment losses		(18,160)	(11,640)
Operating profit/loss		(2,572,392)	(731,014)
Other financial income		1,034,242	776,108
Other financial expenses		(11,063)	(27,370)
Profit/loss before tax		(1,549,213)	17,724
Tax on profit/loss for the year	2	316,657	(2,585,000)
Profit/loss for the year		(1,232,556)	(2,567,276)
Proposed distribution of profit and loss			
Retained earnings		(1,232,556)	(2,567,276)
Proposed distribution of profit and loss		(1,232,556)	(2,567,276)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Plant and machinery		33,856	52,016
Property, plant and equipment	3	33,856	52,016
Fixed assets		33,856	52,016
Trade receivables		31,250	2,373,125
Deferred tax	4	70,000	70,000
Other receivables		112,923	314,843
Income tax receivable		316,657	0
Prepayments		3,297	911
Receivables		534,127	2,758,879
Cash		403,788	101,195
Current assets		937,915	2,860,074
Assets		971,771	2,912,090

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		625,000	625,000
Retained earnings		(742,396)	490,160
Equity		(117,396)	1,115,160
Bank loans		0	526,003
Trade payables		24,563	177,553
Payables to shareholders and management		480,061	521,544
Other payables		584,543	571,830
Current liabilities other than provisions		1,089,167	1,796,930
Liabilities other than provisions		1,089,167	1,796,930
Equity and liabilities		971,771	2,912,090
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	625,000	490,160	1,115,160
Profit/loss for the year	0	(1,232,556)	(1,232,556)
Equity end of year	625,000	(742,396)	(117,396)

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	1,247,444	234,746
Other social security costs	11,438	1,136
	1,258,882	235,882
Average number of full-time employees	2	1

2 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	(316,657)	0
Change in deferred tax	0	2,585,000
	(316,657)	2,585,000

3 Property, plant and equipment

	Plant and machinery DKK
Cost beginning of year	72,642
Cost end of year	72,642
Depreciation and impairment losses beginning of year	(20,626)
Depreciation for the year	(18,160)
Depreciation and impairment losses end of year	(38,786)
Carrying amount end of year	33,856

4 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 to five years.

5 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	51,750	155,250

6 Assets charged and collateral

None.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

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.

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:

Plant and machinery

5 years

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.

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.

Income tax payable or receivable

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.

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.