

SolidQ Denmark ApS

Generatorvej 6A, 2860 Søborg

CVR no. 32 66 54 03

Annual report 2017

Approved at the Company's annual general meeting on 25th April 2018

Chairman:



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Antonio Jose Soto Rodriguez





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of SolidQ Denmark ApS for the financial year 1 January - 31 December 2017.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Søborg, 11 April 2018
Executive Board:

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Antonio Jose Soto
Rodriguez

Independent auditor's report

To the shareholder of SolidQ Denmark ApS

Opinion

We have audited the financial statements of SolidQ Denmark ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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 rules and requirements.

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 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 in preparing the financial statements 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 as to 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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.

Independent auditor's report

- ▶ 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 use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Horsens, 11 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Allan Hess Andersen
State Authorised Public Accountant
MNE no.: mne19789



Management's review

Company details

Name	SolidQ Denmark ApS
Address, Postal code, City	Generatorvej 6A, 2860 Søborg
CVR no.	32 66 54 03
Established	5 January 2010
Registered office	Gladsaxe
Financial year	1 January - 31 December
Website	www.solidq.com/nordic
E-mail	dk_info@solidq.com
Telephone	+45 70 20 94 34
Executive Board	Antonio Jose Soto Rodriguez
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark



Management's review

Business review

The Company's purpose is to provide services as well as development within the IT industry and related business.

Financial review

The income statement for 2017 shows a profit of DKK 265,687 against a loss of DKK 2,120,610 last year, and the balance sheet at 31 December 2017 shows a negative equity of DKK 902,376. Management considers the Company's financial performance in the year satisfactory.

Management expects to re-establish the share capital through positive results in the coming years.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	4,591,723	3,203,951
2	Staff costs	-4,213,317	-5,872,685
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-9,169	-11,433
	Profit/loss before net financials	369,237	-2,680,167
3	Financial expenses	-18,328	-34,076
	Profit/loss before tax	350,909	-2,714,243
4	Tax for the year	-85,222	593,633
	Profit/loss for the year	265,687	-2,120,610
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	265,687	-2,120,610
		265,687	-2,120,610

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	5,260	10,999
	Leasehold improvements	0	3,430
		<u>5,260</u>	<u>14,429</u>
	Investments		
	Other receivables	139,217	138,528
		<u>139,217</u>	<u>138,528</u>
	Total fixed assets	<u>144,477</u>	<u>152,957</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,063,695	655,587
	Receivables from group entities	84,696	402,987
	Deferred tax assets	462,056	547,278
	Income taxes receivable	34,034	4,000
	Deferred income	5,097	32,686
		<u>1,649,578</u>	<u>1,642,538</u>
	Cash	<u>135,000</u>	<u>411,231</u>
	Total non-fixed assets	<u>1,784,578</u>	<u>2,053,769</u>
	TOTAL ASSETS	<u><u>1,929,055</u></u>	<u><u>2,206,726</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	-1,027,376	-1,293,063
	Total equity	<u>-902,376</u>	<u>-1,168,063</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	136,478	43,979
	Trade payables	40,260	153,769
	Payables to group entities	1,611,840	1,975,740
	Other payables	1,042,853	1,201,301
		<u>2,831,431</u>	<u>3,374,789</u>
	Total liabilities other than provisions	<u>2,831,431</u>	<u>3,374,789</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,929,055</u>	<u>2,206,726</u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	125,000	-1,293,063	-1,168,063
Transfer through appropriation of profit	0	265,687	265,687
Equity at 31 December 2017	<u>125,000</u>	<u>-1,027,376</u>	<u>-902,376</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SolidQ Denmark ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue' and 'Other external expenses' are consolidated into one item designated 'Gross margin'.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Other fixtures and fittings, tools and equipment 3 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016	
2 Staff costs			
Wages/salaries	3,630,370	5,047,806	
Pensions	492,822	511,545	
Other social security costs	31,907	56,271	
Other staff costs	58,218	257,063	
	<u>4,213,317</u>	<u>5,872,685</u>	
 Average number of full-time employees	 <u>5</u>	 <u>7</u>	
3 Financial expenses			
Interest expenses, group entities	5,092	1,686	
Other financial expenses	13,236	32,390	
	<u>18,328</u>	<u>34,076</u>	
4 Tax for the year			
Deferred tax adjustments in the year	85,222	-593,633	
	<u>85,222</u>	<u>-593,633</u>	
5 Property, plant and equipment			
DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	155,868	15,438	171,306
Cost at 31 December 2017	155,868	15,438	171,306
Impairment losses and depreciation at 1 January 2017	144,869	12,008	156,877
Amortisation/depreciation in the year	5,739	3,430	9,169
Impairment losses and depreciation at 31 December 2017	150,608	15,438	166,046
Carrying amount at 31 December 2017	<u>5,260</u>	<u>0</u>	<u>5,260</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 622 thousand in interminable rent agreements with remaining contract terms of 2-3 years. Furthermore, the Company has liabilities under operating leases for cars and office equipment, totalling DKK 102 thousand, with remaining contract terms of 1-2 years.

7 Collateral

As security for the Company's debt to banks, the Company has provided security in its cash for at total amount of DKK 135.000. The total carrying amount of these assets is DKK 135.000.