

**Apator Miitors ApS**

Annual report for the period  
1 January – 31 December 2019

The annual report was presented and adopted at the  
Company's annual general meeting

on 25 March 2020

Julie Nielsen  
chairman

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Aparator Miitors ApS for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's activities for the financial year 1 January – 31 December 2019.

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

We recommend that the annual report should be approved at the annual general meeting.

Aarhus, 25. marts 2020  
Executive Board:

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Thue Bjerring Lindballe

Board of Directors:

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Damian Bruderek

Chairman

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Bartosz Sebastian  
Kazmierczak

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Lukasz Zaworski

## ***Independent Auditor's Report***

To the Shareholders of Apator Miitors ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Apator Miitors ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

## **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 about 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 these financial statements.

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

Aarhus, 25. marts 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lars Østergaard

State Authorised Public Accountant

Mne26806

## **Management's review**

### **Company details**

Apator Miitors ApS  
Bautavej 1 A  
DK-8210 Aarhus V

Telephone: +45 22 43 15 79  
Website: [www.miiitors.com](http://www.miiitors.com)  
E-mail: [info@miiitors.com](mailto:info@miiitors.com)  
CVR no.: 32 76 32 86  
Established: 27 January 2010  
Registered office: Aarhus  
Financial year: 1 January – 31 December

### **Board of Directors**

Damian Bruderek, Chairman  
Bartosz Sebastian Kazmierczak  
Lukasz Zaworski

### **Executive Board**

Thue Bjerring Lindballe

### **Auditor**

PRICEWATERHOUSECOOPERS STATS AUTORISERET  
REVISIONSPARTNERSELSKAB  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

## **Management's review**

### **Operating review**

#### **Principal activities**

The principal activities of the Company are to develop and sell various meters and remote meter reading systems as well as to engage in any related business.

#### **Development in activities and financial position**

The results of the Company's operations during the year under review and its financial position at the end of the financial year are shown in the income statement and balance sheet.

Results and financial position at 31 December 2019 are in line with expectations.

#### **Major events after the balance sheet date**

No events have occurred after the balance sheet date to this date that would influence the assessment and evaluation of this annual report in any substantial way.



## Financial statements 1 January – 31 December 2019

### Income statement

	Note	2019	2018
<b>Gross profit</b>		10,185,036	9,393,320
Staff costs	2	-8,774,864	-7,887,510
Work performed for own purposes and capitalized		4,432,398	3,548,572
Depreciation/impairment of intangible assets and property, plant and equipment		-5,400,480	-4,664,037
<b>Ordinary operating profit</b>		442,090	390,345
Financial expenses	3	-107,863	-69,591
<b>Profit before tax</b>		334,227	320,754
Tax on profit for the year	4	-55,261	-56,102
<b>Profit for the year</b>		<u>278,966</u>	<u>264,652</u>
 <b>Proposed profit appropriation</b>			
Retained earnings		-2,791,129	-812,710
Reserve development projects		3,070,095	1,077,362
		<u>278,966</u>	<u>264,652</u>

## Financial statements 1 January – 31 December 2019

### Balance sheet

	Note	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
	5		
Finished development projects		15,722,415	20,517,868
Development projects in progress		9,046,083	3,462,607
		24,768,498	23,980,475
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment	6	44,338	77,515
<b>Total non-current assets</b>		24,812,836	24,057,990
<b>Inventories</b>			
Finished goods		147,584	115,662
<b>Total inventories</b>		147,584	115,662
<b>Receivables</b>			
Receivables from group entities		1,265,108	1,140,214
Other receivables		326,615	336,306
Corporation tax receivable		184,210	68,272
Prepayments		199,282	93,362
		1,975,215	1,638,154
<b>Cash at bank and in hand</b>		6,185,170	2,591,027
<b>Total current assets</b>		8,307,969	4,344,843
<b>TOTAL ASSETS</b>		33,120,805	28,402,833

## Financial statements 1 January – 31 December 2019

### Balance sheet

	Note	2019	2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		588,908	588,908
Retained earnings		1,213,751	4,004,880
Reserve developments projects		13,807,573	10,737,478
<b>Total equity</b>		<b>15,610,232</b>	<b>15,331,266</b>
<b>Provisions</b>			
Provisions for deferred tax		3,733,306	3,493,835
<b>Total provisions</b>		<b>3,733,306</b>	<b>3,493,835</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Amounts owed to parent company		0	7,841,227
		0	7,841,227
<b>Current liabilities other than provisions</b>			
Amounts owed to parent company		11,746,964	81,367
Trade payables		741,409	640,785
Other payables		1,288,894	1,014,353
		13,777,267	1,736,505
<b>Total liabilities other than provisions</b>		<b>13,777,267</b>	<b>13,071,567</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,120,805</b>	<b>28,402,833</b>

## Financial statements 1 January – 31 December 2019

### Statement of changes in equity

	Share capital	Retained earnings	Reserve developments projects	Total
Opening balance	588,908	4,004,880	10,737,478	15,331,266
Profit for the year	0	-2,791,129	3,070,095	278,966
<b>Closing equity</b>	<b>588,908</b>	<b>1,213,751</b>	<b>13,807,573</b>	<b>15.610.232</b>

Changes in share capital in recent years are specified as follows:

	2019	2018	2017	2015/16	2014/15
Opening balance	588,908	588,908	588,908	588,908	511,745
Cash capital increase	0	0	0	0	77,163
<b>Closing balance</b>	<b>588,908</b>	<b>588,908</b>	<b>588,908</b>	<b>588,908</b>	<b>588,908</b>

## **Financial statements 1 January – 31 December 2019**

### **Notes**

#### **1 Accounting policies**

The annual report of Apator Miitors ApS for 2019 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with a few options from a higher reporting.

Accounting policies are consistent with last year.

#### **Accounting estimates and uncertainties**

The preparation of the financial statements relies on the condition that Management makes a number of estimates and assessments of future aspects which will strongly impact the carrying amount of certain assets and liabilities. Development projects in progress is an item subject to critical estimates and assessments with a major impact on the financial statements. The measurement thereof relies predominantly on future earnings. It is likely that future earnings will deviate from forecast earnings as expected events do not always occur.

#### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Revenue**

Income contains fee and royalty under the Patent License Agreement with Apator Powogaz S.A. and is recognised in the income statement when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties.

## **Financial statements 1 January – 31 December 2019**

### **Accounting policies**

#### **1 Accounting policies (continued)**

##### **Other external costs**

Other external costs comprise items relating to distribution, sales, advertising, administration, premises, bad debts and consultants and other costs.

##### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities and payroll costs capitalised as development costs.

##### **Financial income and expenses**

Financial income and expenses comprise interest income and expense as well as other income and expenses.

##### **Tax on profit/loss for the year**

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## **Financial statements 1 January – 31 December 2019**

### **Accounting policies**

#### **1 Accounting policies (continued)**

### **Balance sheet**

#### **Development projects**

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be reliably measured and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Capitalised development projects are amortised over 5 to 7 years from the date on which the development project is ready for commissioning.

#### **Property, plant and equipment**

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

## **Financial statements 1 January – 31 December 2019**

### **Accounting policies**

#### **1 Accounting policies (continued)**

##### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

##### **Receivables**

Receivables are measured at the lower of amortised cost and net realisable value, corresponding to nominal value less write-down for bad debts.

##### **Prepayments**

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### **Cash at bank and in hand**

Cash at bank and in hand comprise bank deposits.

##### **Equity**

###### *Reserve development projects*

Reserve development projects comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.



## **Financial statements 1 January – 31 December 2019**

### **Accounting policies**

#### **1 Accounting policies (continued)**

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### **Liabilities other than provisions**

Current liabilities are measured at cost, which usually correspond to nominal value.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December 2019

### Notes

	2019	2018
<b>2 Staff costs</b>		
Wages and salaries	8,679,048	7,789,704
Pensions	32,694	30,358
Other social security costs	63,122	67,448
	8,774,864	7,887,510
 Average number of full-time employees	 14	 13
 <b>3 Financial expenses</b>		
Interest expense to group entities	180,587	81,367
Interest expense to banks	7,688	0
Other financial expenses	6,939	26,185
Capitalised development work	-87,351	-37,961
	107,863	69,591
 <b>4 Tax on profit/loss for the year</b>		
Tax credit for research and development activities	-184,210	-68,272
Adjustment of deferred tax	239,471	125,631
Adjustment of tax, previous years	0	-1,257
	55,261	56,102

## Financial statements 1 January – 31 December 2019

### Notes

#### 5 Intangible assets

	Develop- ment projects in progress	Finished develop- ment projects
Opening cost at 1 January 2019	3,462,607	31,026,717
Additions for the year	6,155,326	0
Change to finished development projects	-20,572	20,572
Closing cost at 31 December 2019	9,597,361	31,047,289
Opening depreciation and impairment losses at 1 January 2019	0	-10,508,849
Depreciation for the year	0	-4,795,453
Impairment for the year	-551,278	-20,572
Closing depreciation and impairment losses for the year at 31 December 2019	-551,278	-15,324,874
<b>Closing carrying amount at 31 December 2019</b>	<b>9,046,083</b>	<b>15,722,415</b>

#### 6 Property, plant and equipment

	Fixtures and fittings, tools and equipment
Opening cost at 1 January 2019	99,531
Additions for the year	0
Closing cost at 31 December 2019	99,531
Opening depreciation and impairment losses at 1 January 2019	-22,016
Depreciation for the year	-33,177
Closing depreciation and impairment losses for the year at 31 December 2019	-55,193
<b>Closing carrying amount at 31 December 2019</b>	<b>44,338</b>

## **Financial statements 1 January – 31 December 2019**

### **Notes**

#### **7 Unrecognised rental and lease commitments**

Liabilities under rental or lease agreements until maturity represent DKK 92 thousand.

#### **8 Related parties**

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Aparator Powogaz S.A.  
Klemensa Janickiego no. 23/25  
60-542 Poznan  
Poland

The consolidated financial statements of Aparator Powogaz S.A. are available at the above address.