Zenros ApS
Brydehusvej 30 L, 2750 Ballerup

CVR-nr. 34 20 96 42

Annual report 2017/2018

1st July 2017 - 30th June 2018
(6th financial year)

Approved at the ordinary
annual general meeting 18/12 2018

Chairman
Lars Melvin Scharf

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<u>**Company information**</u>

Company:
Zenros ApS
Brydehusvej 30 L
2750 Ballerup

CVR-nr.: 34 20 96 42
Registered company address: Ballerup

Board of directors:
Alistair Robert Ballantyne Forbes
Mariners Place
3 Roseville Street
Dartmouth
Devon TQ6 9 QH
Storbritannien

Lars Melvin Scharf
H. C. Jeppesens Alle 9
2670 Greve

Kristine Mieritz
Bøgevang 58
2640 Hedehusene

Manish Chugh
A/P. Sec No. 27 PL. No. 415
Pradhikaran Nigdi
Pune
Indien

Prem Kumar
P. O. Box 122834
Dubai
UAE

Company information

Executive board:

Lars Melvin Scharf
H. C. Jeppesens Alle 9
2670 Greve

Auditor:

Revisionsfirmaet Jan Kristensen, Registreret Revisionsanpartsselskab

Management endorsement

The board of directors and the executive board have today presented the Annual Report 2017/2018 for Zenros ApS.

The Annual Report has been prepared in accordance with the Danish Finacial Statements Act. We consider the accounting policies to be appropriate so that the financial statements give a true and fair view of the assets, liabilities, financial position and profit.

The Annual Report is recommended for approval for the Annual General Meeting.

Ballerup, 18th of December 2018

Executive board:

Lars Melvin Scharf

Board of directors:

Alistair Robert Ballentyne Forbes

Lars Melvin Scharf

Kristine Mieritz

Manish Chugh

Prem Kumar

Independent Auditor´s Report

To the shareholders of Zenros ApS:

Opinion:

We have audited the financial statements of Zenros ApS for the financial year 1st July 2017 - 30th June 2018, which comprise income statement, balance sheet and notes, including a summary og significant accounting policies, for the company. 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 assets, liabilities and financial position on 30th June 2018 and of the results of its operations for the financial year 1st July 2017 - 30th June 2018 In accordance with The Danish Company Accounts Act.

Basis for opinion:

We have 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 ind 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´s Code of Ethics for Professional Accountant (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accourdance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter regarding the annual report

We draw the attention to note 5 in the annual report. This shows that the company has an outstanding account of TDKK 1,838. There has after the reporting period been paid TDKK 656. The measurement of the remaining outstanding is connected with some uncertainty. The management evaluates that the remaining outstanding will be paid and therefore there is no need for writedowns. Our opinion has not been modified regarding these circumstances.

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 controls as management determines is necessary to enable the preparation of Financial Statements that are free form material misstatement, whether due to fraud or error.

Inpreparing 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.

Auditors´s responsibilities for the audit of the financial statements
Our objectives are to obtain assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor´s report that includes our opinion. Reasonable assurance is a high level og assurance, but is not a guarantee that an audit conducted in accourdance with ISA´s and the additional requirements applicable in Denmark will always detect a material misstatements when it exists. Misstatements can arise from fraud or error and are concidered material if, individually or in the aggregate, the could reasonably be expected to influence the economic decisions of users of accounting information taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requremetns applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material mistatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and abtain 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 og internal control relevant to the audit in order to design audit procedures thar 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 og management´s use of the going concern basis of accounting in preparing the financial statements and, bases 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 auditors 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 statemetns, including the disclosures, and whether the financial statemetns 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 magement´s review
Management is responsible for magagement´s review.

Our opinion on the financial statements does not cover management´s review, and we do not express any form of assurance consklusion thereon.

Independent Auditor´s Report - continued

In connection with our audit of the financial statements, our responsibility is to read management´s review and, in doing so, consider whether managements 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 managements review provides the information required under the Danish Financiel Statement Act.

Based on the work we have perfomed, we conclude that management 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 of managements review.

Søborg, 18th of December 2018
REVISIONSFIRMAET JAN KRISTENSEN
REGISTRERET REVISIONSANPARTSSELSKAB
CVR-nr. 35 38 36 46

Steen Storm Winther
registered public accountant
MNE-nr.: mne33715

Management report

Essential business activities:
The company's essential business activities are to develop and sell energysaving systems for buildings.

Development of operations and financial position:
The company has in the financial year 2017/2018 realised a profit before tax amounted to thousand DKK -307 compared to thousand DKK -115 the year before. Profit after tax amounted to thousand DKK -254 compared to thousand DKK -85 the year before. Then, the company's equity equals thousand DKK 840.

Special factors relating to the financial year:
None.

Events after the reporting period:
After the reporting period no events have occurred that could significantly affect the company's financial position.

Applied Accounting Policy

The annual report has been prepared in accordance with the provisions for Class B companies.

Pursuant to the exemptions provided for in the Danish Financial Statements Act section 32, the company has prepared the income statement in condensed form, so that the composition of gross profit is not shown.

General about recognition and measurement:
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company as a result of a past event has a legal or actual obligation and it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

Assets and liabilities are initially recognised at costprice. Measurement has subsequently taken place as described for each item below.

By recognition and measurement predictable losses and risks, that arise before preparation of the annual report, are taken into account and which confirm or invalidate conditions existing at the balance sheet date.

In the income statement, income is recognised as it is earned, whereas costs are recognised with the amounts relating to the financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Income Statement:

Gross profit:
"Gross profit" includes "revenue", "Costs of goods sold/Third-party contracts", "Other operating income" and "Other external costs".

Revenue:
Revenue is recognised in the income statement as the work is performed, whereby the revenue corresponds to the selling price for the work performed. Revenue is recognised ex VAT.

Accounting Policies - continued

Cost of goods sold/Foreign work:
Cost of goods sold and foreign work are related to the revenue of the year.

Other external costs:
Other external costs include costs for distribution, sales, advertisement, administration, office rent, loss on debtors etc.

Staff costs:
Staff costs include wages and salaries as well as social spending etc. to the company's staff.

Financial entries:
Financial entries include interest income and expenses, realized and unrealized capital gain and loss concerning debt and transactions in foreign currency, and surcharges and refunds in connection with taxes.

Tax:
Tax on the taxable income is allocated by 22,0%. Additions, deductions and allowances relating to tax are included under financial entries.

Deferred tax is allocated with 22,0% of all temporary differences between book values and tax values. Adjustment of deferred tax is included in the income statement under "Tax on net profit for the year".

Deferred tax assets, including the tax value of tax loss carried forward, are recognised at the value at which the asset is expected realised, either against deferred tax liabilities or as net assets.

Balance sheet:

Immaterielle anlægsaktiver/Intangible fixed assets:
Fixed assets are recognized to acquisition price with deduction of accumulated depreciation. Depreciations are based on expected economic life of the assets, and essentially the following economic lifes are used when calculating the depreciations:

	Useful life	Residual value
Development..	10 år	0%

Accounting Policies - continued

Developmentprojecs are recognised with direct costs.

Operating equipment and inventory with an acquisition price under DKK 13,500 are charged to the income statement in the year of acquisition.

Expenses for computer programmes (software) under DKK 13,500 and costs of development, customisation, etc. of computer systems are charged to the income statement in the year in which the expenditure is incurred.

Profit or loss on disposals of tangible and financial fixed assets is calculated as the difference between the selling price less selling costs and the book value at the time of sale. Profit or loss is recognised in the income statement under depreciation.

Impairment of assets:
The book value of assets is recognised yearly for indication of impairment in addition to depreciations.

In case of indications of impairment, there will be an impairment test on each asset or each group of assets. There will be a write down to a lower recoverable amount if this is lower than the recognised value.

Receivables:
Receivables are measured at amortised cost, which usually corresponds to the nominal value less provision for bad debts.

Liabilities:
Liabilities are recognised at amortized cost, which usually corresponds to the nominal value.

Calculation of foreign currencies:
Transactions in foreign currencies are initially recognised at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are measured at the exchange rate at the balance sheet date. Exchange differences arising between the transaction date and the date of payment/the balance sheet date respectively are recognised in the income statement as financial entries.

Income Statement for the period 1st July 2017 - 30th June 2018

Note			2016/ 2017 tkr.
	Gross profit	380.574	638
1	Staff costs	-1.100	-201
	Loss before depreciation, amortisation and write-downs	379.474	437
2	Depreciation, amortisation and write-downs	-658.249	-529
	Profit before financial entries	-278.775	-92
	Financial income	121.408	72
	Other financial expenses	-149.668	-95
	Profit before tax	-307.035	-115
3	Tax on net loss for the year	52.799	30
	Net loss for the year	**-254.236**	**-85**
	Proposed distribution of net loss :		
	Proposed dividend	0	0
	Other statutory reserves	432.494	700
	Retained loss	-686.730	-785
	Proposed net loss	**-254.236**	**-85**

Balance Sheet as at 30th June 2018

Assets

Note			30/6 2017 tkr.
	Fixed assets:		
4	Intangible assets:		
	Completed development projects	5.106.164	5.331
	Intangible assets	5.106.164	5.331
	Investments:		
	Deposits	60.000	60
	Total investments	60.000	60
	Total fixed assets	5.166.164	5.391
	Current assets:		
	Inventories	234.711	173
	Receivables:		
5	Trade receivables	2.070.178	2.867
	Income taxes	62.882	44
	Other receivables	916.302	28
	Prepayments	39.306	64
	Total receivables	3.088.668	3.003
	Cash	4.593	3
	Current assets total	3.327.972	3.179
	Assets total	**8.494.136**	**8.570**

Balance Sheet as at 30th June 2018

Liabilities and equity

Note			30/6 2017 tkr.
6	**Equity:**		
	Share capital	1.211.749	1.212
	Retained earnings	-1.321.083	-748
	Reserve for development expenditure	949.610	630
	Proposed dividend for the year	0	0
	Total equity	840.276	1.094
	Provision for liabilities:		
	Provisions for deferred tax	818.971	853
	Total provisions	818.971	853
	Liabilities:		
7	**Long term liabilities:**		
	Long-term subordinate loan capital	3.370.625	3.366
	Total long-term liabilities	3.370.625	3.366
	Short term liabilities:		
	Short-term subordinate loan capital	465.202	466
	Credit institutions	363.973	286
	Convertible, profit yielding or dividend yielding short-term debt instruments	372.625	372
	Trade payables	2.196.344	1.966
	Payables to associates	17.180	147
	Other payables	48.940	20
	Total short-term liabilities	3.464.264	3.257
	Total liabilities	6.834.889	6.623
	Total liabilities and equity	**8.494.136**	**8.570**
8	Pledges, securities and contingent liabilities		

Notes to Annual Report

			2016/ 2017 tkr.
1	**Staff costs:**		
	Salaries	0	186
	Pensions	0	0
	Other social security costs	1.100	15
		1.100	201

			2016/ 2017
	Average number of employed persons	1	1

2	**Depreciation and write-downs:**		
	Depreciations	658.249	529
		658.249	529
3	**Company tax:**		
	Specification of company tax:		
	Tax of taxable income for the year	-18.704	-44
	Regulation of tax previous year	0	59
	Regulation of provision for deferred tax	-34.095	-45
		-52.799	-30

Notes to Annual Report

4 **Assets overview:**

	Finished development projects
Acquisition price 1st July 2017	5.428.477
Acquisitions of the year	432.494
Disposals of the year at cost price	0
Acquisition price 30th June 2018	5.860.971
Depreciations 1st July 2017	797.015
Depreciations and writedowns if the year	658.249
Depreciations and writedowns regarding disposal of the year	0
Depreciations and writedowns 30th June 2018	1.455.264
Book value 30th June 2018	4.405.707

5 **Receivables from sale of goods and services:**
The company has an outstanding account of TDKK 1,838 against a customer. The customer has after the reporting period paid TDKK 656. The remaining amount is awaiting commissioning etc. by the customer. The measurement of the remaining outstanding is therefore connected with some uncertainty. The management evaluates that the remaining outstanding will be paid and therefore there is no need for writedowns.

6 Equity:

	Share-capital	Reserve for development-costs	Retained earnings
Total as at 1st July 2017	1.211.749	630.411	-747.648
Profit of the year	0	432.494	-686.730
Depreciations of development costs	0	-113.295	113.295
Paid dividend	0	0	0
Dividend of the year	0	0	0
Total as at 30th June 2018	1.211.749	949.610	-1.321.083

	Suggested dividend
Total as at 1st July 2017	0
Profit of the year	0
Depreciations of development costs	0
Paid dividend	0
Dividend of the year	0
Total as at 30th June 2018	0

Change in share capital:

Financial year 2012/2013	644.287
Financial year 2013/2014	160.000
Financial year 2014/2015	796.040
Financial year 2015/2016	-800.164
Financial year 2015/2016	411.586
Total as at 30th June 2018	1.211.749

Notes to Annual Report

7 **Long term liabilities:**

The company has been granted a loan of DKK 3.835.827 (subordinated loan), where lender has agreed to step back to all orther debt in case of bankruptcy, forced settlement and compulsory liquidation.

It has been agreed that the debt is being repaid with min. 3% of the revenue each year but at any time not more the 20% of EBITDA. Short term debt is calculated with realized result of 2017/2018 inkluded not paid instalments from previous years. 5 years from the balance date DKK 0 of the debt is due for payment.

The debt will not carry any interest. When an installment is paid, there will be paid an additionel 3% premium of the installment.

The debt expires on 31st December 2020, on which date Zenros ApS is entitled to pay the full balance.

8 **Pledges, securities and contingent liabilities:**

The company is liable for rent liability of TDKK 180 regarding a 16 months term of notice.

A letter of indemnity in the amount of DKK 500.000 regarding floating charge. The floating charge has been registered includes stock, goodwill, domain name and rights according to the law of patens, the law of trademarks, the law of designs, the law of used models, the law of pattern, the law of copyrights and the law of semiconductor products, fixtures, fittings, tools and equipments.