
LM WP Patent Holding A/S

Jupitervej 6, DK-6000 Kolding

Annual Report for 1 January - 31 December 2019

CVR No 34 61 91 90

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
18/ 6 2020

Peder Toft Nielsen
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LM WP Patent Holding A/S for the financial year 1 January - 31 December 2019.

The Annual Report is 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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kolding, 18 June 2020

Executive Board

Hanif Mashal
Executive Officer

Board of Directors

Olivier Gaston René Fontan
Chairman

Hanif Mashal

Ksenia Valtycheva

Independent Auditor's Report

To the shareholder of LM WP Patent Holding A/S

Opinion

We have audited the financial statements of LM WP Patent Holding A/S for the financial year 1 January - 31 December 2019 comprising 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 Company's assets, liabilities and financial position 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.

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

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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the

Independent Auditor's Report

audit. We also

- identify and assess the risks of material misstatement of the company 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.

Statement on 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

Independent Auditor's Report

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 Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 18 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Henrik O. Larsen
State Authorised Public Accountant
mne15839

Nikolaj Møller Hansen
State Authorised Public Accountant
mne33220

Company Information

The Company

LM WP Patent Holding A/S
Jupitervej 6
DK-6000 Kolding

CVR No: 34 61 91 90
Financial period: 1 January - 31 December
Incorporated: 18 July 2012
Municipality of reg. office: Kolding

Board of Directors

Olivier Gaston René Fontan, Chairman
Hanif Mashal
Ksenia Valtycheva

Executive Board

Hanif Mashal

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4, st.
DK-6000 Kolding

Management's Review

Key activities

The Company's main activity is holding shares in subsidiaries. In addition, the company provides services related to controlling patents and similar rights.

Development in the year

The income statement of the Company for 2019 shows a profit of TDKK 13.652, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 753.574.

Targets and expectations for the year ahead

For 2020, Management expect a positive income in the same size as 2019.

On 11 March 2020, COVID-19 has been declared a pandemic by the World Health Organization, and most governments are taking restrictive measures to contain its further spread affecting free movement of people and goods.

While no material effects on the Company's financial position, results of operations and cash flows have yet been identified at the date of these financial statements, management will continue monitoring and evaluating them during the 2020 financial year.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Gross profit		2.725	2.420
Staff expenses	1	<u>-2.308</u>	<u>-1.880</u>
Profit before financial income and expenses		417	540
Result of investments in subsidiaries		13.400	-52.500
Financial income	2	6	8
Financial expenses	3	<u>-100</u>	<u>-237</u>
Profit/loss before tax		13.723	-52.189
Tax on profit/loss for the year		<u>-71</u>	<u>-68</u>
Net profit/loss for the year		<u>13.652</u>	<u>-52.257</u>

Profit appropriation / distribution of loss

Profit appropriation / distribution of loss

Retained earnings		<u>13.652</u>	<u>-52.257</u>
		<u>13.652</u>	<u>-52.257</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Investments in subsidiaries		172.880	159.480
Fixed asset investments		172.880	159.480
Fixed assets		172.880	159.480
Receivables from group enterprises		624.620	675.495
Other receivables		7	121
Deferred tax asset		41	35
Receivables		624.668	675.651
Cash at bank and in hand		0	25
Currents assets		624.668	675.676
Assets		797.548	835.156

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Share capital		14.927	14.927
Retained earnings		738.647	724.995
Equity		<u>753.574</u>	<u>739.922</u>
Other provisions		14.580	14.579
Other provisions		<u>14.580</u>	<u>14.579</u>
Trade payables		1.830	2.126
Payables to group enterprises		21.922	78.087
Corporation tax		78	52
Other payables		5.564	390
Short-term debt		<u>29.394</u>	<u>80.655</u>
Debt		<u>29.394</u>	<u>80.655</u>
Liabilities and equity		<u>797.548</u>	<u>835.156</u>
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	14.927	724.995	739.922
Profit appropriation	0	13.652	13.652
Equity at 31 December	14.927	738.647	753.574

Notes to the Financial Statements

	<u>2019</u> TDKK	<u>2018</u> TDKK
1 Staff expenses		
Wages and salaries	2.147	1.617
Pensions	152	116
Other social security expenses	8	13
Other staff expenses	<u>1</u>	<u>134</u>
	<u>2.308</u>	<u>1.880</u>
Average number of employees	<u>3</u>	<u>2</u>
2 Financial income		
Interest received from group enterprises	0	1
Other financial income	<u>6</u>	<u>7</u>
	<u>6</u>	<u>8</u>
3 Financial expenses		
Interest paid to group enterprises	42	1
Other financial expenses	<u>58</u>	<u>236</u>
	<u>100</u>	<u>237</u>

Notes to the Financial Statements

4 Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. GE Global Holdings Denmark ApS is the management company of the joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

5 Related parties

Consolidated Financial Statements

The Company is included in the group annual report of the ultimate parent company, which is the smallest and largest group in which the Company is consolidated.

Name	Place of registered office
General Electric Company	Boston, MA 02210, USA

The Group Annual Report of General Electric Company may be obtained at the following address:

General Electric Company, 41 Farnsworth Street, Boston, Massachusetts, 02210, USA.

The annual accounts of the parent company are available at www.ge.com.

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of LM WP Patent Holding A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of General Electric Company, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

6 Accounting Policies (continued)

Income Statement

Revenue

Revenue, which consists of revenue from service fee and royalty is measured at fair value of the agreed consideration exclusive of VAT and net of discounts relating to sale.

Revenue recognition occurs when delivery and transfer of risk to the buyer have taken place according to the agreements and the income may be measured reliable and is expected to be received.

Other external expenses

Other external expenses comprise office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Result of investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. Result of investments in subsidiaries comprise dividends, write-down of investment in subsidiaries and reversal of of previous years' write-down of investment in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

6 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.