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ReMoni ApS
Sudkærvej 9
8752 Østbirk
Central Business Registration No
35212124

Annual report 2016

The Annual General Meeting adopted the annual report on 17.03.2017

Chairman of the General Meeting

Name: Flemming Würtz Andersen

Contents

Entity details

Entity
ReMoni ApS
Sudkærvej 9
8752 Østbirk

Central Business Registration No: 35212124
Founded: 5 April 2013
Registered in: Horsens
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Flemming Würtz Andersen, Chairman
Bo Eskerod Madsen
Mogens Durup Nielsen
Jesper Bjarne Haugaard

Executive Board
Bo Eskerod Madsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Papirfabrikken 26
8600 Silkeborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ReMoni ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Østbirk, 17.03.2017

Executive Board

Bo Eskerod Madsen

Board of Directors

Flemming Würtz Andersen Chairman	Bo Eskerod Madsen	Mogens Durup Nielsen

Jesper Bjarne Haugaard

Independent auditor's report

To the shareholders of ReMoni ApS

Opinion

We have audited the financial statements of ReMoni ApS for the financial year 01.01.2016 - 31.12.2016, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 exits. 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Silkeborg, 17.03.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bo Blaabjerg Odgaard
State Authorised Public Accountant

Management commentary

Primary activities

The Company carries on development and sale of monitoring systems and related activites.

Development in activities and finances

The primary focus in 2016 has been the development of the Company’s products for the market. Therefore, the Company’s resources have primarily been allocated to development. The newly developed products are expected to be important sources of revenue for the Company in the long term, and both revenue and profit will therefore be significantly larger in the years to come.

As at the time of the financial reporting, the Company is still in a stage of product development, the final market potential is, in the nature of things, subject to some uncertainty. If, contrary to expectations, it appears that it will not be possible to sell the developed technology, it is Management’s assessment that operations can be adjusted so that cash resources are sufficient until the time of the annual general meeting in 2018.

This year, the Company has decided to change accounting policies to the effect that development projects in progress that are expected to generate a future financial benefit have been capitalised. In this connection, the comparative figures have been restated. This change in policy has been made as it is found to provide a more true and fair view.

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 2016

	Notes	2016 DKK	2015 DKK
Gross profit		**2,132,740**	**1,810,718**
Staff costs	1	(1,179,762)	(683,751)
Depreciation, amortisation and impairment losses		(33,625)	(34,327)
Operating profit/loss		**919,353**	**1,092,640**
Other financial expenses		(68,862)	(58,080)
Profit/loss before tax		**850,491**	**1,034,560**
Tax on profit/loss for the year	2	(186,936)	(209,502)
Profit/loss for the year		**663,555**	**825,058**
Proposed distribution of profit/loss			
Retained earnings		663,555	825,058
		663,555	**825,058**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Development projects in progress		10,493,334	5,230,100
Intangible assets	3	**10,493,334**	**5,230,100**
Other fixtures and fittings, tools and equipment		102,095	102,982
Property, plant and equipment	4	**102,095**	**102,982**
Fixed assets		**10,595,429**	**5,333,082**
Other receivables		1,162,904	1,566,774
Receivables		**1,162,904**	**1,566,774**
Cash		**2,455,125**	**593,644**
Current assets		**3,618,029**	**2,160,418**
Assets		**14,213,458**	**7,493,500**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Contributed capital		106,667	106,667
Reserve for development expenditure		4,105,323	0
Retained earnings		(2,845,029)	596,739
Equity		**1,366,961**	**703,406**
Deferred tax		539,000	352,064
Provisions		**539,000**	**352,064**
Subordinate loan capital	5	4,161,625	1,840,000
Non-current liabilities other than provisions		**4,161,625**	**1,840,000**
Trade payables		18,528	248,534
Other payables	6	1,120,791	560,413
Deferred income	7	7,006,553	3,789,083
Current liabilities other than provisions		**8,145,872**	**4,598,030**
Liabilities other than provisions		**12,307,497**	**6,438,030**
Equity and liabilities		**14,213,458**	**7,493,500**

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	106,667	0	(1,110,949)	(1,004,282)
Changes in accounting policies	0	0	1,707,688	1,707,688
Adjusted equity, beginning of year	**106,667**	**0**	**596,739**	**703,406**
Transfer to reserves	0	4,105,323	(4,105,323)	0
Profit/loss for the year	0	0	663,555	663,555
Equity end of year	**106,667**	**4,105,323**	**(2,845,029)**	**1,366,961**

Notes

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	5,373,067	3,211,768
Pension costs	96,960	0
Other social security costs	47,699	31,904
Other staff costs	32,638	26,769
Staff costs classified as assets	(4,370,602)	(2,586,690)
	1,179,762	**683,751**
Average number of employees	**8**	**5**

	2016 DKK	2015 DKK
2. Tax on profit/loss for the year		
Change in deferred tax for the year	186,936	209,502
	186,936	**209,502**

	Development projects in progress DKK
3. Intangible assets	
Cost beginning of year	5,230,100
Additions	5,263,234
Cost end of year	**10,493,334**
Carrying amount end of year	**10,493,334**

Development projects in progress

The capitalised development costs relate to various new products in progress for monitoring of technical installations in professional buildings in order to reap operating as well as environmental profits.

The Company has received grants provided on the basis of the capitalised intangible assets. The grants received are recognised in the annual report under deferred assets. The net amount between capitalised intangible assets and grants received recognised as deferred assets is calculated as follows:

Notes

	2016 DKK
Intangible assets	
Balance beginning of year	5,230,100
Additions during the year	5,263,234
Carrying amount end of year	**10,493,334**
Grants received	
Balance beginning of year	(3,789,083)
Additions during the year	(3,217,470)
Carrying amount end of year	**(7,006,553)**
Net value	**3,486,781**

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	165,397
Additions	32,738
Cost end of year	**198,135**
Depreciation and impairment losses beginning of the year	(62,415)
Depreciation for the year	(33,625)
Depreciation and impairment losses end of the year	**(96,040)**
Carrying amount end of year	**102,095**

5. Subordinate loan capital

The Comany has subordinated loans totalling DKK 4,161,625. The loans carry interest at 8-9% p.a.

Notes

	2016 DKK	2015 DKK
6. Other payables		
VAT and duties	26,419	0
Wages and salaries, personal income taxes, social security costs, etc payable	214,995	208,739
Holiday pay obligation	335,950	125,766
Accrued interests	510,927	211,158
Other costs payable	32,500	14,750
	1,120,791	**560,413**

7. Deferred income

Deferred income consists of grants received relating to capitalised development projects in progress, which is broken down as follows:

	2016 DKK
Balance beginning of year	3,789,083
Grants received during the year	3,558,711
Set off against receivables relating to capitalised projects	(1,985,479)
Prepaid grants received	1,644,238
	7,006,553

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.

Changes in accounting policies
The accounting policies have been changed compared to previous years in relation to recognition of development costs. In previous years, all development costs were expensed in the income statement. This year, all development costs which comply with the requirements of capitalisation of development costs are recognised as assets in the Company's balance sheet.

The comparative figures for previous financial years have been restated in this relation with the following impact:

Equity at 01.01.2015: DKK 442k
Adjustment of profit/loss for 2015: DKK 1,266k
Total impact on equity at 01.01.2016: DKK 1,708k.
Impact on profit for 2016: DKK 1,012k.

Except for the above and minor reclassifications, the accounting policies applied 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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Accounting policies

Revenue

Revenue consisting of subvention is recognised in the income statement when delivery is made and risk has passed to the buyer.

Other external expenses

Other external expenses include expenes 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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, 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

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Accounting policies

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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:

Other fixtures and fittings, tools and equipment	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.

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.