

# Mobile Industrial Robots ApS

Emil Neckelmanns Vej 15 F, 5220 Odense SØ

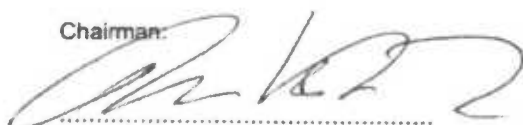
CVR no. 35 25 12 35



## Annual report 2016

Approved at the annual general meeting of shareholders on 25 April 2017

Chairman:



Thomas Visti



Building a better  
working world



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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Mobile Industrial Robots ApS for the financial year 1 January - 31 December 2016.

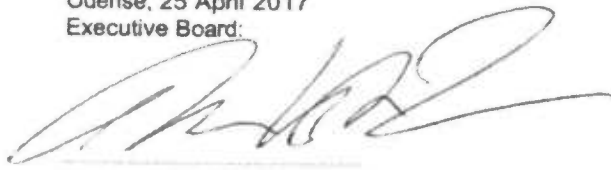
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

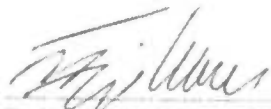
We recommend that the annual report be approved at the annual general meeting.

Odense, 25 April 2017  
Executive Board:



Thomas Visti Jensen

Board of Directors:

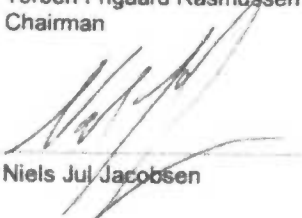


Torben Frigaard Rasmussen  
Chairman



Thomas Visti Jensen

Søren Michael Juul  
Jørgensen



Niels Jul Jacobsen

## Independent auditor's report

### To the shareholders of Mobile Industrial Robots ApS

#### Opinion

We have audited the financial statements of Mobile Industrial Robots ApS for the financial year 1 January - 31 December 2016, which comprise an 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 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 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 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.

### Independent auditor's report

- 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 conclusion is 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 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 our procedures, 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.

Odense, 25 April 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Søren Smedegaard Hvid  
State Authorised Public Accountant



## Management's review

### Company details

Name	Mobile Industrial Robots ApS
Address, Postal code, City	Emil Neckelmanns Vej 15 F, 5220 Odense SØ
CVR no.	35 25 12 35
Established	31 May 2013
Registered office	Odense
Financial year	1 January - 31 December
Board of Directors	Torben Frigaard Rasmussen, Chairman Thomas Visti Jensen Søren Michael Juul Jørgensen Niels Jul Jacobsen
Executive Board	Thomas Visti Jensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

## Management's review

### Management commentary

#### Business review

The Company's main activity is the development and sale of autonomous mobile robots mainly in Europe, the USA and Asia.

#### Financial review

The business has in 2016 increased activity significantly and the revenue has grown by several hundred percent. The business has during 2016 invested heavily in product development, building up distribution around the world, establishing of own setup/company in USA and organization development. In addition, the company has moved to a new headquarter in 2016.

The income statement for 2016 shows a loss of DKK 2,116,470 against 2,015,168 last year, and the balance sheet at 31 December 2016 shows equity of DKK 6,288,921.

Considering the above-listed, the management considers the Company's financial performance in the year satisfactory. The result is as expected and in line with the company's long term strategy.

The business is in the coming year expected to continue significant investments in product development, sales and marketing. A significant growth in revenue and increase in activity is expected.

The company has sufficient capital resources in place to finance the future growth strategy.

#### 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 for the period 1 January - 31 December

### Income statement

Note	DKK	2016	2015
	<b>Gross margin</b>	6,603,812	521,643
2	Staff costs	-8,909,821	-2,950,413
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-478,583	-82,611
	<b>Profit/loss before net financials</b>	-2,784,592	-2,511,381
	Income from investments in group entities	-6,883	0
	Financial income	315,385	29
	Financial expenses	-230,367	-88,429
	<b>Profit/loss before tax</b>	-2,706,457	-2,599,781
3	Tax for the year	589,987	584,613
	<b>Profit/loss for the year</b>	<u>-2,116,470</u>	<u>-2,015,168</u>
	<b>Recommended appropriation of profit/loss</b>		
	Reserve for development costs	3,246,437	0
	Retained earnings/accumulated loss	-5,362,907	-2,015,168
		<u>-2,116,470</u>	<u>-2,015,168</u>





## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	2016	2015
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
4	<b>Intangible assets</b>		
	Completed development projects	3,719,354	1,621,298
	Development projects in progress	813,382	0
		<u>4,532,736</u>	<u>1,621,298</u>
5	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	387,975	103,302
	Leasehold improvements	185,264	0
		<u>573,239</u>	<u>103,302</u>
6	<b>Financial assets</b>		
	Investments in group entities, net asset value	0	0
	Deposits, investments	167,200	57,904
	Deferred tax assets	0	407,188
		<u>167,200</u>	<u>465,092</u>
	<b>Total non-current assets</b>	<u>5,273,175</u>	<u>2,189,692</u>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Raw materials and consumables	697,217	464,844
	Finished goods and goods for resale	1,385,305	120,000
		<u>2,082,522</u>	<u>584,844</u>
	<b>Receivables</b>		
	Trade receivables	3,737,588	374,381
	Receivables from group entities	4,276,594	0
	Income taxes receivable	1,226,906	393,623
	Other receivables	630,982	179,890
	Contributed capital in arrears	0	4,500,000
	Deferred income	0	31,791
		<u>9,872,070</u>	<u>5,479,685</u>
	<b>Cash</b>	<u>94,102</u>	<u>2,146,223</u>
	<b>Total Current assets</b>	<u>12,048,694</u>	<u>8,210,752</u>
	<b>TOTAL ASSETS</b>	<u><u>17,321,869</u></u>	<u><u>10,400,444</u></u>



## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	2016	2015
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	1,398,768	1,398,768
	Reserve for non-paid-in capital	0	4,500,000
	Reserve for development costs	3,246,437	0
	Retained earnings	1,643,716	2,506,623
	<b>Total equity</b>	<b>6,288,921</b>	<b>8,405,391</b>
	<b>Non-current liabilities</b>		
	Deferred tax	229,731	0
	<b>Total non-current liabilities</b>	<b>229,731</b>	<b>0</b>
	<b>Current liabilities</b>		
	Bank debt	5,912,402	231,078
	Prepayments received from customers	0	420,000
	Trade payables	2,841,031	662,338
	Other payables	2,049,784	681,637
	<b>Total current liabilities</b>	<b>10,803,217</b>	<b>1,995,053</b>
	<b>Total liabilities</b>	<b>11,032,948</b>	<b>1,995,053</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,321,869</b>	<b>10,400,444</b>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral

## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Reserve for non-paid-in capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2015	348,768	0	0	471,791	820,559
Capital increase	1,050,000	4,950,000	0	3,600,000	9,600,000
Transfer, see "Appropriation of loss"	0	0	0	-2,015,168	-2,015,168
Equity transferred to reserves	0	-450,000	0	450,000	0
<b>Equity at 1 January 2016</b>	<b>1,398,768</b>	<b>4,500,000</b>	<b>0</b>	<b>2,506,623</b>	<b>8,405,391</b>
Transfer, see "Appropriation of loss"	0	0	3,246,437	-5,362,907	-2,116,470
Equity transferred to reserves	0	-4,500,000	0	4,500,000	0
<b>Equity at 31 December 2016</b>	<b>1,398,768</b>	<b>0</b>	<b>3,246,437</b>	<b>1,643,716</b>	<b>6,288,921</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Mobile Industrial Robots ApS for 2016 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.

#### Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods, comprising sale of robots and related services is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

#### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### 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 for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Other fixtures and fittings, tools and equipment	3 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and 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

##### Intangible assets

Development costs comprise expenses, salaries and amortisation directly or 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 measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years and cannot exceed 10 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licences are amortised over the term of the licence, however not exceeding 10 years.

##### 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.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

#### 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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

#### Receivables

Receivables are measured at amortised cost.

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses 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.

#### Prepayments

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

#### 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.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK	2016	2015
<b>2 Staff costs and incentive programmes</b>		
Wages/salaries	7,459,353	2,443,407
Pensions	537,396	132,091
Other social security costs	913,072	374,915
	<u>8,909,821</u>	<u>2,950,413</u>
 Average number of full-time employees	 <u>20</u>	 <u>8</u>

### Incentive programmes

In 2015, the Company established a warrant programme for the Board of Directors and executive employees. A number of 28,576 warrants were granted on 2 December 2015. The warrants can be exercised in the period December 2016 to June 2019.

DKK	2016	2015
<b>3 Tax for the year</b>		
Estimated tax charge for the year	-1,226,906	-393,623
Deferred tax adjustments in the year	636,919	-190,990
	<u>-589,987</u>	<u>-584,613</u>

### 4 Intangible assets

DKK	Completed development projects	Development projects in progress	Total
Cost at 1 January 2016	1,674,993	0	1,674,993
Additions in the year	0	3,305,162	3,305,162
Transfer from other accounts	2,491,780	-2,491,780	0
Cost at 31 December 2016	<u>4,166,773</u>	<u>813,382</u>	<u>4,980,155</u>
Impairment losses and amortisation at 1 January 2016	53,695	0	53,695
Amortisation/depreciation in the year	393,724	0	393,724
Impairment losses and amortisation at 31 December 2016	<u>447,419</u>	<u>0</u>	<u>447,419</u>
<b>Carrying amount at 31 December 2016</b>	<u>3,719,354</u>	<u>813,382</u>	<u>4,532,736</u>
 Amortised over	 <u>5 years</u>		



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	146,753	0	146,753
Additions in the year	339,651	215,145	554,796
Cost at 31 December 2016	486,404	215,145	701,549
Impairment losses and depreciation at 1 January 2016	43,451	0	43,451
Amortisation/depreciation in the year	54,978	29,881	84,859
Impairment losses and depreciation at 31 December 2016	98,429	29,881	128,310
<b>Carrying amount at 31 December 2016</b>	<b>387,975</b>	<b>185,264</b>	<b>573,239</b>
Amortised over	3-5 years	3 years	

#### 6 Investments

DKK	Investments in group entities, net asset value	Deposits, investments	Total
Cost at 1 January 2016	0	57,904	57,904
Additions in the year	6,883	167,200	174,083
Disposals in the year	0	-57,904	-57,904
Cost at 31 December 2016	6,883	167,200	174,083
Share of the profit/loss for the year	-6,883	0	-6,883
Value adjustments at 31 December 2016	-6,883	0	-6,883
<b>Carrying amount at 31 December 2016</b>	<b>0</b>	<b>167,200</b>	<b>167,200</b>

DKK	2016	2015
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#### 7 Share capital

Analysis of the share capital:

948,768 A shares of DKK 1.00 nominal value each	948,768	948,768
450,000 B shares of DKK 1.00 nominal value each	450,000	450,000
	<b>1,398,768</b>	<b>1,398,768</b>

Analysis of changes in the share capital over the past 5 years:

DKK	2016	2015	2014	30/09 2014	31/05 2013
Opening balance	1,398,768	348,768	263,768	80,000	0
Capital increase	0	1,050,000	85,000	183,768	80,000
	<b>1,398,768</b>	<b>1,398,768</b>	<b>348,768</b>	<b>263,768</b>	<b>80,000</b>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company has the usual industrial warranty and service obligations.

Tenancy commitments regarding lease amounts to DKK 1,296 thousand.

The Company has entered into other leases amounting to DKK 122 thousand.

#### 9 Collateral

As security for the Company's debt to banks, creditors and other suppliers, the Company has provided security or other collateral in its assets for a total amount of DKK 18.5 million.