D4Tec ApS

CVR-nr. 35 46 80 80
Niels Jernes Vej 10, 9220 Aalborg Øst

Annual Report
1st July 2016 - 31st December 2017

The annual report is submitted and approved
at the Annual General Meeting,
24 / 5 2018

Peter Skovmand Jensen
Conductor

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MANAGEMENT'S STATEMENT

Today the Executive Board has discussed and approved the Annual Report of D4Tec ApS for the period 1st July 2016 - 31st December 2017.

The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31st December 2017 and of its financial performance for the period 1st July 2016 - 31st December 2017.

In my opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Aalborg Øst, 24 / 5 2018

Executive board

Peter Skovmand Jensen

INDEPENDENT AUDITOR'S EXTENDED REVIEW REPORT

To the shareholders of D4Tec ApS

Extended review report

We have performed an extended review of the financial statements of D4Tec ApS for the financial period from 1st July 2016 - 31st December 2017. The financial statements, which include accounting policies, income statement, balance sheet and notes, have been prepared in conformity with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements. We have performed an extended review in accordance with the Assurance Standard for Small Enterprises issued by the Danish Business Authority and the Standard on Extended Review of Financial Statements prepared in Conformity with the Danish Financial Statements Act issued by FSR - Danish Auditors.

This requires that we observe the Danish Act on Approved Auditors and Audit Firms and the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors and that we plan and perform procedures to obtain moderate assurance for our conclusion on the financial statements and moreover perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review includes procedures consisting mainly in inquiries to Management and, if appropriate, to other employees of the enterprise, analytical procedures and the specifically required supplementary procedures as well as an evaluation of the evidence obtained.

The scope of the procedures performed in an extended review is more limited than the scope of an audit, and accordingly we express no audit opinion on the financial statements.

Conclusion

Based on the procedures performed, we conclude that the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31st December 2017and of its financial performance for the financial period from 1st July 2016 - 31st December 2017 in conformity with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S EXTENDED REVIEW REPORT

Statement on Management commentary
Pursuant to the Danish Financial Statements Act, we have read the management's commentary. We have not performed any further procedures in addition to the extended review of the financial statements. On the basis, it is our opinion that the information provided in the management's commentary is consistent with the financial statements.

Grenaa, 24 / 5 2018

ROBÆK Godkendt Revisionsaktieselskab
CVR-nr.: 33946406

Michael Iuel
State Authorised Public Accountant
mne28602

COMPANY INFORMATION

Company details	D4Tec ApS Niels Jernes Vej 10 9220 Aalborg Øst	
	CVR-no.:	35 46 80 80
	Founded:	15th August 2013
	Registered office (municipality):	Aalborg
	Financial year:	1st July – 31st December
	Document ref.:	8258 / MI / CSP / MTJ
Executive board	Peter Skovmand Jensen	
Auditor	ROBÆK Godkendt Revisionsaktieselskab	

MANAGEMENT COMMENTARY

Main activities of the Company

The Company's principal activities include developing information technology and providing related consultancy services.

Development in the activities and the financial situation of the Company

As resultat of not having sold the completed development projects within the financial year, the Company has discontinued the development projects and as a consequence the development projects have been depreciated in the financial year.

The performance and results for the year are not considered satisfactory.

ACCOUNTING POLICIES

GENERAL INFORMATION

The financial statements of D4Tec ApS for the financial year 2016/17 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

Change in financial year
The company has changed the financial year from 1st July 2016 - 30th June 2017 to 1st July 2016 - 31st December 2017. Reporting date is now 31st December 2017. The reorientation of the financial year is due to adjustment to the Group's financial year.

This financial year includes the period 1st July 2016 - 31st December 2017. The fiscal year 1st July 2015 - 30th June 2016 is used as comparative period. This financial year's figures are not directly comparable with the Comparative figures.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Significant mistakes
In connection to the preparation of the annual report for the financial year 2017 the following mistakes regarding financial year 2016 has been corrected due to changes in application for tax refunds regarding research and development costs, and due to changes in ownership. Deferred tax 30th June 2016 has been increased with DKK 224.053, receivables regarding corporate incomes have been increased with DKK 224.904, and as a result equity 30th June 2016 has been corrected with DKK 851.

Comparative figures have been restated to reflect the significant mistakes, and the accumulated effect of the mistakes are recognised directly in the opening equity balance.

Recognition and measurement in general
The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

ACCOUNTING POLICIES

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the life of the individual asset or liability. Amortised cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

Foreign currency translation
Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information
Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit
Gross profit is a combination of the items of 'Revenue','Other operating income', 'Cost of raw materials and consumables' and 'External costs'.

Revenue
Revenue from the sale of consultancy services is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

Other operating income and expenses
Other operating income and expenses comprise items relating to activities secondary to the activities of the enterprise, including profit and loss from the disposal of property, plant and equipment.

ACCOUNTING POLICIES

External costs
External costs include costs for purchased supplies, consulting assistance, and sales, advertising, administration, premises, bad debts, etc.

Staff costs
Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses
Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year
Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

The parent and its domestic subsidiaries are assessed jointly for Danish tax purposes. The current Danish corporate income tax is allocated to the jointly taxed Danish companies in proportion to their taxable income. The parent is the administration company of the jointly taxed group of companies, the parent being in charge of paying taxes, etc., to the Danish tax authorities.

BALANCE SHEET

Intangible assets
Development projects
Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated economic life after completion of the development work. The amortisation period is usually 5 years, but no more than 10 years.

Gains or losses arising from the disposal of capitalised development costs are determined as the difference between the selling price less selling costs and the carrying amount at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Plant and equipment
Plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

ACCOUNTING POLICIES

The depreciable amount is calculated with consideration of the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	User time	Residual value
Plant and machinery	3 years	0 %

Gains or losses arising from the disposal of plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Impairment losses relating to non-current assets
The carrying amounts of intangible assets and plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Deposits
Deposits are measured at cost.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by provisions for bad debts.

Provisions for bad debts are established on individual assessment of receivables.

Prepayments
Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

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. However, deferred tax is not recognised on temporary differences relating to other items where temporary differences 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 planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

Payables
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between proceeds and nominal value is recognised in the income statement over the life of the financial instrument(s).

Other payables, comprising trade payables and amounts owed to Group enterprises and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

INCOME STATEMENT
1. JULY 2016 - 31. DECEMBER 2017

		2016/17 kr.	2015/16 kr.
	GROSS PROFIT	**2.297.921**	**-138.157**
1	Staff costs	-1.687.469	-1.275.240
	Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-4.113.644	-22.203
	Other operating costs	0	-5.797
	OPERATING PROFIT OR LOSS	**-3.503.192**	**-1.441.397**
	Other financial income	3	213
	Financial expenses arising from Group enterprises	-266.130	-408.733
	Financial expenses	0	-889
	PROFIT OR LOSS BEFORE TAX	**-3.769.319**	**-1.850.806**
	Tax on profit for the year	829.250	407.114
	PROFIT OR LOSS FOR THE YEAR	**-2.940.069**	**-1.443.692**
	PROPOSED DISTRIBUTION OF PROFIT		
	Retained earnings	-2.940.069	-1.443.692
	SETTLEMENT OF DISTRIBUTION TOTAL	**-2.940.069**	**-1.443.692**

BALANCE SHEET AT 31. DECEMBER 2017
ASSETS

	2017 kr.	2016 kr.
Research and development costs	0	4.100.485
Intangible assets	**0**	**4.100.485**
Other plant, fixtures and operating equipment	3.582	16.746
Property, plant and equipment	**3.582**	**16.746**
Deposits	17.082	17.082
Investments	**17.082**	**17.082**
NON-CURRENT ASSETS	**20.664**	**4.134.313**
Receivables from group enterprises	525.000	0
Corporate income taxes	0	1.066.977
Other receivables	0	469.635
Deferred tax asset	162.197	0
Accruals	0	33.850
Receivables	**687.197**	**1.570.462**
Cash	**1.077.019**	**472.500**
CURRENT ASSETS	**1.764.216**	**2.042.962**
ASSETS	**1.784.880**	**6.177.275**

BALANCE SHEET AT 31. DECEMBER 2017
EQUITY AND LIABILITIES

Note		2017 kr.	2016 kr.
	Share capital	236.953	236.953
	Retained earnings	-5.077.983	-2.137.913
	EQUITY	**-4.841.030**	**-1.900.960**
	Deferred tax liabilities	0	667.053
	PROVISIONS	**0**	**667.053**
	Amounts owed to group enterprises	5.566.379	6.869.249
3	**Long-term payables**	**5.566.379**	**6.869.249**
	Current portion of long-term liabilities	733.000	0
	Trade payables	23.581	124.662
	Other payables	302.950	417.271
	Short-term payables	**1.059.531**	**541.933**
	LIABILITIES	**6.625.910**	**7.411.182**
	EQUITY AND LIABILITIES	**1.784.880**	**6.177.275**

4 Contingent liabilities, etc.
5 Charges and securities

NOTES

		2016/17 kr.	2015/16 kr.
1	**Staff costs**		
	Number of people employed	2	3
	Wages and salaries	1.644.736	1.246.241
	Pension costs	3.500	0
	Other social security costs	39.233	28.999
		1.687.469	**1.275.240**
2	**Special entries**		
	Depreciation of completed development projects	-4.100.485	0
		-4.100.485	**0**

		Total liabilities at beginning of period	Total liabilities at end of period	Current portion	Outstanding balanceafter 5 years
3	**Long-term payables**				
	Amounts owed to group enterprises	6.869.249	6.299.379	733.000	2.800.000
		6.869.249	**6.299.379**	**733.000**	**2.800.000**

4 Contingent liabilities, etc.

The Company has entered a contract for the lease of office, etc. Commitments for the interminable part of the rents are DKK 17.000 pr. 31st December 2017.

The company is jointly and severally liable with the other jointly taxed Group companies for tax on consolidated taxable income and for certain withholding taxes such as withholding tax and royalty tax.

5 Charges and securities

The company's assets are not pledged, and there are not issued any guarantees.