Suntube Holding ApS

Venlighedsvej 6, 2970 Hørsholm

CVR no. 35 47 17 31

Annual report for 2016

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 13.03.17

Peter Christian Kjærgaard Vesborg
Dirigent

Table of contents

Company information etc.

The company

Suntube Holding ApS
Venlighedsvej 6
2970 Hørsholm
Registered office: Hørsholm
CVR no.: 35 47 17 31
Financial year: 01.01 - 31.12

Executive Board

Rasmus Grønbek Haahr
Peter Christian Kjærgaard Vesborg

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for Suntube Holding ApS.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Hørsholm, March 13, 2017

Rasmus Grønbek Haahr

Peter Christian Kjærgaard Vesborg

To the capital owners of Suntube Holding ApS

Opinion

We have audited the financial statements of Suntube Holding ApS for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with 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 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 these financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment 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.

- 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.

Copenhagen, March 13, 2017

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Thomas Thomsen
State Authorized Public Accountant

Primary activities

The company's activities comprise to be a holding company with patent development and patent protection.

Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 shows a profit of DKK 91,523 against DKK 45,014 for the period 01.01.15 - 31.12.15. The balance sheet shows equity of DKK 205,442.

The management considers the net profit for the year to be satisfactory.

Outlook

The company is also expecting a satisfactory result for the year 2017.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2016 DKK	2015 DKK
	Gross profit	**159.756**	**78.382**
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-43.875	-18.770
	Profit before net financials	**115.881**	**59.612**
2	Financial income	608	355
3	Financial expenses	-1.625	-1.115
	Profit before tax	**114.864**	**58.852**
4	Tax on profit or loss for the year	-23.341	-13.838
	Profit/loss for the year	**91.523**	**45.014**

Proposed appropriation account

	2016 DKK	2015 DKK
Retained earnings	91.523	45.014
Total	**91.523**	**45.014**

Balance sheet

ASSETS

Note		31.12.16 DKK	31.12.15 DKK
	Development projects in progress	219.780	132.186
5	**Total intangible assets**	**219.780**	**132.186**
6	Equity investments in group enterprises	50.000	50.000
	Total investments	**50.000**	**50.000**
	Total non-current assets	**269.780**	**182.186**
	Trade receivables	20.125	0
	Income tax receivable	0	16.145
	Total receivables	**20.125**	**16.145**
	Cash	**96.279**	**35.337**
	Total current assets	**116.404**	**51.482**
	Total assets	**386.184**	**233.668**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.16 DKK	31.12.15 DKK
	Contributed capital	80.000	80.000
	Retained earnings	125.442	33.919
	Total equity	**205.442**	**113.919**
	Provisions for deferred tax	48.352	29.983
	Total provisions	**48.352**	**29.983**
	Trade payables	7.000	7.000
	Payables to group enterprises	26.438	42.193
	Income taxes	4.972	0
	Other payables	93.980	40.573
	Total short-term payables	**132.390**	**89.766**
	Total payables	**132.390**	**89.766**
	Total equity and liabilities	**386.184**	**233.668**

7 Contingent liabilities

Statement of changes in equity

Figures in DKK	Contributed capital	Retained earnings
Statement of changes in equity for 01.01.15 - 31.12.15		
Balance pr. 01.01.15	80.000	-11.095
Net profit/loss for the year	0	45.014
Balance as at 31.12.15	80.000	33.919
Statement of changes in equity for 01.01.16 - 31.12.16		
Balance pr. 01.01.16	80.000	33.919
Net profit/loss for the year	0	91.523
Balance as at 31.12.16	80.000	125.442

	2016 DKK	2015 DKK

1. Staff costs

	2016 DKK	2015 DKK
Average number of employees during the year	1	1

2. Financial income

	2016 DKK	2015 DKK
Interest, group enterprises	608	355

3. Financial expenses

	2016 DKK	2015 DKK
Interest, group enterprises	998	760
Other interest expenses	627	355
Total	1.625	1.115

4. Tax on profit or loss for the year

	2016 DKK	2015 DKK
Current tax for the year	4.972	-16.145
Adjustment of deferred tax for the year	20.282	29.983
Deferred tax, change in tax rate	-1.913	0
Total	23.341	13.838

5. Intangible assets

Figures in DKK	Development projects in progress
Cost pr. 01.01.16	150.956
Additions during the year	131.469
Cost as at 31.12.16	282.425
Amortisation and impairment losses pr. 01.01.16	-18.770
Impairment losses during the year	-43.875
Amortisation and impairment losses as at 31.12.16	-62.645
Carrying amount as at 31.12.16	219.780

6. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost pr. 01.01.16	50.000
Additions relating to mergers and acquisition of enterprises	0
Cost as at 31.12.16	50.000
Carrying amount as at 31.12.16	50.000

7. Contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies.

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and other external expenses.

Revenue

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

8. Accounting policies - continued -

Other external expenses

Other external expenses comprise administration costs.

Depreciation, amortisation and impairment losses

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used,

8. Accounting policies - continued -

respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

8. Accounting policies - continued -

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or

8. Accounting policies - continued -

settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.