

LEAPCRAFT ApS

Strandgade 54, 1
1401 København K

Annual report
1 July 2015 - 30 June 2016

**The annual report has been presented and
approved on the company's general meeting the**

30/11/2016

Vinay Venkatraman
Chairman of general meeting

(Not audited)

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Company information

Reporting company LEAPCRAFT ApS
Strandgade 54, 1
1401 København K

CVR-nr: 35472762

Reporting period: 01/07/2015 - 30/06/2016

Statement by Management

Statement by the Management

The Management has today discussed and approved the annual report for the financial year 1 July 2015 – 30 June 2016 of Leapcraft ApS. The annual report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 July 2015 – 30 June 2016.

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

Copenhagen, the 30/11/2016

Management

Vinay Venkatraman

Opting out of auditing financial statements in next reporting period due to exemption

Management confirms that the company fulfils the requirements to be exempt of audit.

Auditor's reports

To the management of Leapcraft ApS

We have prepared the annual report of Leapcraft ApS for the income year 1 July 2015 to 30 June 2016 based on the Company's bookkeeping and additional information that you have provided. The annual report comprises accounting practice, profit/loss, balance sheet and notes.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Information. We applied our professional expertise in order to assist you in preparing and presenting the annual report in accordance with the Danish Financial Statement Act. We complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical rules, including principles regarding integrity, objectivity, professional competence and due care.

The annual and the accuracy and completeness of the information applied when preparing the annual report are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have provided to us for the purpose of our preparation of the annual report. Consequently, we do not express any opinion as to whether the annual report has been prepared in accordance with Danish Financial Statement Act.

Copenhagen, 30/11/2016

Morten Høgh-Petersen
State Authorised Public Accountant
KPMG P/S
CVR: 25578198

Management's Review

Leapcraft is a new age global innovation consultancy working with big data and technology exploration with a user centred approach to design. Leapcraft works with companies & governments to create new offerings with a breed of new tools and methods based on big data analytics, sensors, rapid prototyping and empathetic application to society. Leapcraft harnesses design and technology offerings to building new solutions with the Internet of things, advanced sensors and big data. The company has a user centric approach to humanising technology and incorporating advance scientific research from universities into mainstream technology implementations.

Development in the year

This year has been the third year for Leapcraft to formally offer a whole range of new offers in the market. The company has completed numerous projects with both public sector as well as large multinational companies abroad. Leapcraft has managed to gain momentum and sign new projects over the year. The company has also started on projects with various large customers in the Japan, Denmark and the US. Contract discussions are ongoing with numerous other customers apart from serving existing customers. Leapcraft has also experienced great public interest in the form of invitation for Keynote lectures, publications in magazines and media, etc.

Leapcraft's work has also been recognised with its project and communication on CPH sense - an ambient air quality monitoring solution. Leapcraft has launched a product offering in ambient city sensing called CPH-sense which allows for municipalities to rapidly deploy an IoT based ambient sensing strategy for smart cities. CPH sense has been piloted in several Danish municipalities and plans are in progress for deploying in many cities abroad.

Very importantly Leapcraft is very proud for winning the INCENSE II Open Call of 2016 by European Union - which is facilitated by Enel, Endesa, Accelerace & Fundingbox. Leapcraft was awarded this grant to enable it to accelerate its growth via investing in core technical research and improve its business development with coaching help from Accelerace.

A very high visibility project for Leapcraft has been the work it has been doing with Copenhagen Capacity on Healthcare Landscape Mapping. The project involved systematic compilation of sources of healthcare data in Danish public health system and running various analysis to provide an overview of the system. The report produced has been very well received by public and private stakeholders and presented in numerous conferences. Several follow up projects have been planned on the basis of this.

Academic Collaboration : Leapcraft has been deeply engaged in academic collaboration to improve its core science capabilities and help mature research knowledge into market ready solution, Two notable collaboration are with DTU (Danish Technical University) on Graphene bio sensors project and Arhus University (DCE) on air quality sensor tests. The later has been facilitated via the InnoMT fund in collaboration with Force Technology and Copenhagen Airports.

Internal Development : The Leapcraft team has been working in parallel to build an highly scalable IoT platform called LeapSense to licence out to various projects and customers. LeapSense is poised to be a central piece of infrastructure in many future projects and eventually might a pivotal to the overall growth strategy of the company.

Press and Media : Through the year has received significant media attention both in Denmark and internationally. Internationally Leapcraft presented at Koyto Smart City Expo, World Efficiency Congress in Paris and IRAHSS in Singapore. Leapcraft has also been mentioned in leading newspapers via articles in Børsen & Jyllands Posten. In addition CPH Sense sensors were featured in a news clip on TV2 Nyhederne (Lorry).

Expectation for the coming year

Leapcraft expects a steady continued growth in the coming year. Numerous relationships that were established in FY2015-16 are expected to mature into actual contracts. The company has also been actively

scouting for top talent in the area of cloud infrastructure management, big data analytics, sensor design and User experience. Additionally, various internal technology development initiatives have been planned to bring process efficiency and increase the innovative edge to the offering. Many of the planned tools are unique to Leapcraft and will add significant competitive advantage when mixed with a powerful design front end and data visualization skills. The focus will primarily be on acquiring recurring revenue based contracts that will bring stability to the team and maturity in the technology stack which has by now been proven via various projects implemented. Leapcraft will actively look to fund raise in the next year to accelerate its growth in new markets.

Subsequent events

There have been no significant subsequent events at the time of submitting the annual report. mitting the annual report.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.
Income statement

Revenue

Income from the sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received. Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.

Other operating costs

Other operating costs comprise items secondary to the Company's activities, including loss on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

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

Dividends from investments in subsidiaries are recognised in the income statement in the year when the dividends are declared.

Tax on profit/loss for the year

The Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish companies. The Company serves as the administrative company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities. Current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In relation thereto, enterprises with tax losses receive joint taxation contributions from enterprises which have been able to use this loss to reduce their tax loss.

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Equipment

IT equipment, fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on 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 measured on the planned use of the asset or settlement of the liability. Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid. Other liabilities are measured at net realisable value.

Income statement 1 Jul 2015 - 30 Jun 2016

	Disclosure	2015/16 kr.	2014/15 kr.
Gross Result		3,987,684	3,020,763
Employee expense		-3,041,763	-2,568,891
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-23,991	-46,316
Profit (loss) from ordinary operating activities		921,930	405,556
Other finance expenses		-20,171	-983
Profit (loss) from ordinary activities before tax		901,759	404,573
Tax expense		-198,387	-114,331
Profit (loss)		703,371	290,242
Proposed distribution of results			
Proposed dividend recognised in equity		200,000	200,000
Retained earnings		503,371	90,242
Proposed distribution of profit (loss)		703,371	290,242

Balance sheet 30 June 2016

Assets

	Disclosure	2015/16 kr.	2014/15 kr.
Fixtures, fittings, tools and equipment		71,973	60,947
Property, plant and equipment		71,973	60,947
Other investments		45,576	
Investments		45,576	
Total non-current assets		117,549	60,947
Trade receivables		1,085,847	350,000
Other receivables		10,081	45,577
Receivables		1,095,928	395,577
Cash and cash equivalents		1,920,123	1,023,400
Current assets		3,016,051	1,418,977
Total assets		3,133,600	1,479,924

Balance sheet 30 June 2016

Liabilities and equity

	Disclosure	2015/16 kr.	2014/15 kr.
Contributed capital		80,000	80,000
Retained earnings		736,904	233,533
Proposed dividend		200,000	200,000
Total equity	1	1,016,904	513,533
Provisions for deferred tax		0	14,323
Provisions, gross		0	14,323
Trade payables		702,159	118,875
Tax payables		312,718	186,432
Other payables, including tax payables, liabilities other than provisions		1,101,819	646,761
Short-term liabilities other than provisions, gross		2,116,696	952,068
Liabilities other than provisions, gross		2,116,696	952,068
Liabilities and equity, gross		3,133,600	1,479,924

Disclosures

1. Total equity

	Contributed capital	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend	Total
	kr.	kr.	kr.	kr.	kr.
Balance, beginning of year	80.000	0	233.533	200.000	513.533
Distributed ordinary dividends	0	0	0	-200.000	-200.000
Profit (loss)	0	0	503.371	200.000	703.371
Equity, end of year	80.000	0	736.904	200.000	1.016.904

2. Disclosure of contingent liabilities

As Part of the company's ordinary project activity, the company enters into various agreements where the company depends on the nature of deliveries and agreement can potentially be liable for certain deliveries.

The company has a rental contract with a remaining contractual period of 6 months at the balance sheet date, and with a remaining lease cost of DKK 68 thousand.

The company is in co-taxation with Ideact ApS, and is jointly liable for taxes with the other entity of the co-taxation.

3. Disclosure of ownership

Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

Ideact ApS, Strandgade 54, 1401 København K