

**Astep ApS**  
Vermundsgade 40 B  
2100 København Ø  
Central Business Registration No  
36053097

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 31.05.2017

### **Chairman of the General Meeting**

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Name: Alessandro Sarfatti

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2016	6
Balance sheet at 31.12.2016	7
Statement of changes in equity for 2016	9
Notes	10
Accounting policies	12

## Entity details

### Entity

Astep ApS  
Vermundsgade 40 B  
2100 København Ø

Central Business Registration No: 36053097  
Registered in: Copenhagen, Denmark  
Financial year: 01.01.2016 - 31.12.2016

### Executive Board

Alessandro Sarfatti, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Astep 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 my 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.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2017

### Executive Board

Alessandro Sarfatti  
CEO

## Independent auditor's reports

### To the shareholders of Astep ApS

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of Astep ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### Conclusion

Based on our extended review, 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.

#### 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.

## Independent auditor's reports

In connection with our extended review 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 extended review 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.

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.

Copenhagen, 31.05.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

## Management commentary

### Primary activities

The Company operates with industrial design and product design and other related activities.

### Development in activities and finances

The result for 2016 shows a loss of DKK 2.199 k. Management does not consider the loss of the year as satisfactory but expected as the Company is in a start.up phase.

### 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

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
<b>Gross loss</b>		<b>(1.539.666)</b>	<b>(847)</b>
Staff costs	2	(611.608)	0
<b>Operating profit/loss</b>		<b>(2.151.274)</b>	<b>(847)</b>
Other financial income		10.639	0
Other financial expenses		(58.367)	(37)
<b>Profit/loss before tax</b>		<b>(2.199.002)</b>	<b>(884)</b>
Tax on profit/loss for the year		0	(87)
<b>Profit/loss for the year</b>		<b>(2.199.002)</b>	<b>(971)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(2.199.002)	(971)
		<b>(2.199.002)</b>	<b>(971)</b>



## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Other fixtures and fittings, tools and equipment		16.831	0
Leasehold improvements		119.363	0
<b>Property, plant and equipment</b>	<b>3</b>	<b>136.194</b>	<b>0</b>
Deposits		91.350	122
<b>Fixed asset investments</b>	<b>4</b>	<b>91.350</b>	<b>122</b>
<b>Fixed assets</b>		<b>227.544</b>	<b>122</b>
Manufactured goods and goods for resale		422.727	0
<b>Inventories</b>		<b>422.727</b>	<b>0</b>
Trade receivables		171.027	0
Other receivables		139.383	57
Prepayments		20.024	0
<b>Receivables</b>		<b>330.434</b>	<b>57</b>
<b>Cash</b>		<b>293.307</b>	<b>1</b>
<b>Current assets</b>		<b>1.046.468</b>	<b>58</b>
<b>Assets</b>		<b>1.274.012</b>	<b>180</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	5	52.632	50
Share premium		1.472.368	0
Retained earnings		<u>(3.464.928)</u>	<u>(1.266)</u>
<b>Equity</b>		<b><u>(1.939.928)</u></b>	<b><u>(1.216)</u></b>
Payables to shareholders and management		<u>2.318.702</u>	<u>1.261</u>
<b>Non-current liabilities other than provisions</b>		<b><u>2.318.702</u></b>	<b><u>1.261</u></b>
Trade payables		605.101	14
Payables to shareholders and management		91.246	104
Other payables		<u>198.891</u>	<u>17</u>
<b>Current liabilities other than provisions</b>		<b><u>895.238</u></b>	<b><u>135</u></b>
<b>Liabilities other than provisions</b>		<b><u>3.213.940</u></b>	<b><u>1.396</u></b>
<b>Equity and liabilities</b>		<b><u>1.274.012</u></b>	<b><u>180</u></b>
Going concern	1		
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50.000	0	(1.265.926)	(1.215.926)
Increase of capital	2.632	1.472.368	0	1.475.000
Profit/loss for the year	0	0	(2.199.002)	(2.199.002)
<b>Equity end of year</b>	<b>52.632</b>	<b>1.472.368</b>	<b>(3.464.928)</b>	<b>(1.939.928)</b>

## Notes

### 1. Going concern

At 31 December 2016, the Company has lost more than 50% of its share capital. In connection with the preparation of the annual report for 2016 Management has received a letter of support from its ultimate Parent; Sarfatti ApS. In this letter of support the Parent confirms that it is willing and able to provide continuous financial support to the Company to enable it to operate as a going concern and to meet its obligations for at least up to and until 31 December 2017.

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	603.747	0
Other social security costs	7.861	0
	<b>611.608</b>	<b>0</b>
Number of employees at balance sheet date	<b>2</b>	<b>0</b>
Average number of employees	<b>2</b>	<b>0</b>

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>3. Property, plant and equipment</b>		
Additions	19.033	126.185
<b>Cost end of year</b>	<b>19.033</b>	<b>126.185</b>
Depreciation for the year	(2.202)	(6.822)
<b>Depreciation and impairment losses end of the year</b>	<b>(2.202)</b>	<b>(6.822)</b>
<b>Carrying amount end of year</b>	<b>16.831</b>	<b>119.363</b>

## Notes

	<b>Deposits</b>
	<b>DKK</b>
<b>4. Fixed asset investments</b>	
Cost beginning of year	121.350
Additions	<u>(30.000)</u>
<b>Cost end of year</b>	<b><u>91.350</u></b>
<b>Carrying amount end of year</b>	<b><u>91.350</u></b>

	<b>Number</b>	<b>Par value</b>	<b>Nominal</b>
	<b>DKK</b>	<b>DKK</b>	<b>value</b>
	<b>DKK</b>		<b>DKK</b>
<b>5. Contributed capital</b>			
Shares	<u>52.632</u>	1	<u>52.632</u>
	<b><u>52.632</u></b>		<b><u>52.632</u></b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>6. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<u><b>417.710</b></u>	<u><b>49.695</b></u>

### 7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Sarfatti ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

## 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.

The accounting policies applied to these financial statements 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.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

#### Other external expenses

Other external expenses include expenses 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.

## Accounting policies

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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

#### 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
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

## Accounting policies

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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