Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a.

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Scotia ApS

Vedbæk Strandvej 328, 2950 Vedbæk

CVR no. 36 08 43 32

Annual report for the period
1 April to 30 September 2019

(6th Financial year)

Adopted at the annual general meeting
on 16 December 2019

Scott Campbell Macaw
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Scotia ApS for the financial year 1 April - 30 September 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2019 and of the results of the company's operations for the financial year 1 April - 30 September 2019.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Vedbæk, 5 December 2019

Executive board

Scott Campbell Macaw

Independent auditor's report

To the shareholder of Scotia ApS

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of Scotia ApS for the financial year 1 April - 30 September 2019, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 September 2019 and of the results of the company's operations for the financial year 1 April - 30 September 2019 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We refer to note 6 in the financial statements, which reflects that the company has lost its contributed capital and therefore is subject to the capital loss rules in the Danish Companies Act §119.

Management has explained the circumstances, including having trimmed the company's capacity and changing its business base, which is expected to generate positive operating results. In addition, the process to acquire new capital in the form of changes in the ownership, in addition to a debt conversion of long-term debt.

Management therefore considers the conditions for presentation of the financial statement on the assumption of going concern to be met.

Emphasis of matter

We refer to note 5 in the financial statements, which reflects that the Company has a receivable of mDKK 14.1 from a group company. The group company is dependend on cash flow related transactions in other group companies, in order to honor the receivable. Consequently, the measurement of the receivable is associated with material uncertainty. We have not modified our opinion in respect of this matter.

Independent auditor's report

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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs 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.

Statement on 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 Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report

Report on other legal and regulatory requirements

Violation of Danish VAT legislation

Contrary to Danish VAT legislation, the Company has failed to file VAT statements to the Danish Customs and Tax Administration, and Management may incur liability in this respect.

Hellerup, 5 December 2019
CVR no. 33 25 68 76
Crowe

Søren Jonassen
State Authorized Public Accountant
MNE no. mne18488

Company details

The company	Scotia ApS Vedbæk Strandvej 328, 2950 Vedbæk	
	CVR no.:	36 08 43 32
	Reporting period:	1 April - 30 September 2019
	Incorporated:	5. September 2014
	Domicile:	Vedbæk
Executive board	Scott Campbell Macaw	
Auditors	Crowe Statsautoriseret Revisionsinteressentskab v.m.b.a. Rygårds Allé 104 2900 Hellerup	

Management's review

Business activities

The purpose of the company is to operate in relation to lighting and integrated power solutions, including acquiring and owning ownership interests in oghter companies or companies with a similar purpose, as well as any company which, in the opinion of the Board, is related.

Business review

The company's income statement for the year ended 30 September shows a profit of DKK 667.346, and the balance sheet at 30 September 2019 shows negative equity of DKK 16.206.815.

The company has sold its R&D assets to another group member, realising a significant profit. The receivable due to the sales, will be honored in the event that other significant transactions within the group are realized.

On the basis of low costs and planning for recapitalisation (debt conversion), management conciders the company a going concern.

Under the "Skattekreditordning", the company received mDKK 3,8 in 2017. Unfortunately there was a miscalculation, so the amount is to be paid back. The reservation has been reclassified from Other statutory reserves to Other payables.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Scotia ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit
In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less other external expenses.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Accounting policies

Revenue
Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment 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. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year
Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet
Tangible assets
Other fixtures, and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	
Other fixtures and fittings, tools and equipment	5-7	years

Accounting policies

Assets costing less than DKK 13.500 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as depreciation.

Investments in subsidiaries and associates
Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables
Receivables are measured at amortised cost.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity
Dividends
Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to 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.

Liabilities
Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Income statement
1 April 2019 - 30 September 2019

	Note	2019	2018
		DKK	DKK
Gross profit		**671.868**	**13.263.669**
Other operating costs		0	-359.646
Profit/loss before net financials		**671.868**	**12.904.023**
Financial income		0	164.361
Financial costs		-4.522	-894.381
Profit/loss before tax		**667.346**	**12.174.003**
Tax on profit/loss for the year	1	0	-525.823
Profit/loss for the year		**667.346**	**11.648.180**

Recommended appropriation of profit/loss

Transferred to other statutory reserves	0	-3.804.807
Retained earnings	667.346	15.452.987
	667.346	**11.648.180**

Balance sheet at 30 September 2019

	Note	2019	2018
		DKK	DKK
Assets			
Other fixtures and fittings, tools and equipment		0	0
Tangible assets		**0**	**0**
Investments in associates		2.530.520	2.530.520
Receivables from group companies	3	14.136.656	13.730.138
Fixed asset investments		**16.667.176**	**16.260.658**
Total non-current assets		**16.667.176**	**16.260.658**
Trade receivables		326.647	513.233
Receivables		**326.647**	**513.233**
Cash at bank and in hand		**264.622**	**3.822**
Total current assets		**591.269**	**517.055**
Total assets		**17.258.445**	**16.777.713**

Balance sheet at 30 September 2019

	Note	2019	2018
		DKK	DKK
Equity and liabilities			
Share capital		568.182	568.182
Retained earnings		-16.774.997	-17.442.342
Equity	4	**-16.206.815**	**-16.874.160**
Convertible and profit-yielding instruments of debt		25.443.861	25.817.121
Corporation tax		525.823	525.823
Total non-current liabilities	5	**25.969.684**	**26.342.944**
Trade payables		113.594	150.905
Other payables		7.361.982	7.138.024
Deferred income		20.000	20.000
Total current liabilities		**7.495.576**	**7.308.929**
Total liabilities		**33.465.260**	**33.651.873**
Total equity and liabilities		**17.258.445**	**16.777.713**
Uncertainty about the continued operation (going concern)	6		

Notes

		2019	2018
		DKK	DKK
1	**Tax on profit/loss for the year**		
	Current tax for the year	0	525.823
		0	**525.823**

		Other fixtures and fittings, tools and equipment
2	**Tangible assets**	
	Cost at 1 April 2019	754.745
	Cost at 30 September 2019	754.745
	Impairment losses and depreciation at 1 April 2019	754.745
	Impairment losses and depreciation at 30 September 2019	754.745
	Carrying amount at 30 September 2019	**0**

Notes

3 Fixed asset investments

	Receivables from group companies
Cost at 1 April 2019	13.730.138
Additions for the year	406.518
Cost at 30 September 2019	14.136.656
Carrying amount at 30 September 2019	**14.136.656**

The group company is dependend on cash flow related transactions in other group companies, in order to honor the receivable. Consequently, the measurement of the receivable is associated with material uncertainty.

4 Equity

	Share capital	Retained earnings	Total
Equity at 1 April 2019	568.182	-17.442.343	-16.874.161
Net profit/loss for the year	0	667.346	667.346
Equity at 30 September 2019	**568.182**	**-16.774.997**	**-16.206.815**

Notes

5 Long term debt

	2019	2018
	DKK	DKK
Convertible and profit-yielding instruments of debt		
Between 1 and 5 years	25.443.861	25.817.121
Non-current portion	25.443.861	25.817.121
Within 1 year	0	0
	25.443.861	**25.817.121**
Corporation tax		
Between 1 and 5 years	525.823	525.823
Non-current portion	525.823	525.823
Current portion	0	0
	525.823	**525.823**

The convertible loan is a part of a Loan Commitment of 2.786.708,33 euro which has been full received.

Up to 1.000.000 euro together with any accrued interest can be converted into shares from January 1,2020 to and including December 31, 2021. The conversion will depend on the valuation of the company of 8 * EBITDA. The conversion rate cannot be less than 1 DKK pr. share of 1 DKK.

If the loan is not converted to shares prior to December 31, 2021 the loan shall be repaid in full.

6 Uncertainty about the continued operation (going concern)

The company has lost its contributed capital and therefore is subject to the capital loss rules in the Danish Companies Act §119.

The company has sold its R&D assets to another group member, realising a significant profit. The receivable due to the sales, will be honored in the event that other significant transactions within the group are realized.

On the basis of low costs and planning for recapitalisation (debt conversion), management conciders the company a going concern.

Management therefore considers the conditions for presentation of the financial statement on the assumption of going concern to be met.