

## **Scotia ApS**

Vedbæk Strandvej 328, 2950 Vedbæk

CVR no. 36 08 43 32

**Annual report for the period  
1 April 2018 to 31 March 2019**

(6th Financial year)

Adopted at the annual general meeting  
on 27 August 2019

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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 2018 - 31 March 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 31 March 2019 and of the results of the company's operations for the financial year 1 April 2018 - 31 March 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, 16 August 2019

### **Executive board**

Scott Campbell Macaw

## **Independent auditor's report**

### **To the shareholder of Scotia ApS**

#### **Opinion**

We have audited the financial statements of Scotia ApS for the financial year 1 April 2018 - 31 March 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 31 March 2019 and of the results of the company's operations for the financial year 1 April 2018 - 31 March 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 8 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 13.7 from a group company. The group company is dependent 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.

#### **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.

## **Independent auditor's report**

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.

## **Independent auditor's report**

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.

Hellerup, 16 August 2019

CVR no. 33 25 68 76



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 2018 - 31 March 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 31 March shows a profit of DKK 11.648.180, and the balance sheet at 31 March 2019 shows negative equity of DKK 16.874.160.

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 2018/19 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 2018/19 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**

### **Intangible assets**

#### ***Development projects, patents and licences***

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

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than ten years.

## Accounting policies

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### 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

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.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

## **Accounting policies**

### **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 2018 - 31 March 2019**

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>Gross profit</b>		<b>13.263.669</b>	<b>360.183</b>
Staff costs	1	<u>0</u>	<u>71.264</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>13.263.669</b>	<b>431.447</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		0	-4.674.349
Impairment of current assets		0	-2.655.752
Other operating costs		<u>-359.646</u>	<u>0</u>
<b>Profit/loss before net financials</b>		<b>12.904.023</b>	<b>-6.898.654</b>
Financial income		164.361	0
Financial costs		<u>-894.381</u>	<u>-870.044</u>
<b>Profit/loss before tax</b>		<b>12.174.003</b>	<b>-7.768.698</b>
Tax on profit/loss for the year	2	<u>-525.823</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>11.648.180</u></b>	<b><u>-7.768.698</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Transferred to other statutory reserves		-3.804.807	0
Retained earnings		<u>15.452.987</u>	<u>-7.768.698</u>
		<b><u>11.648.180</u></b>	<b><u>-7.768.698</u></b>

## Balance sheet at 31 March 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>Assets</b>			
Acquired patents		0	1.341.198
Development projects in progress		0	1.797.107
<b>Intangible assets</b>	3	<u>0</u>	<u>3.138.305</u>
Other fixtures and fittings, tools and equipment		0	0
<b>Tangible assets</b>		<u>0</u>	<u>0</u>
Investments in associates		2.530.520	0
Receivables from group companies	5	13.730.138	0
<b>Fixed asset investments</b>		<u>16.260.658</u>	<u>0</u>
<b>Total non-current assets</b>		<u>16.260.658</u>	<u>3.138.305</u>
Trade receivables		513.233	0
<b>Receivables</b>		<u>513.233</u>	<u>0</u>
<b>Cash at bank and in hand</b>		<u>3.822</u>	<u>85.325</u>
<b>Total current assets</b>		<u>517.055</u>	<u>85.325</u>
<b>Total assets</b>		<u><u>16.777.713</u></u>	<u><u>3.223.630</u></u>

## Balance sheet at 31 March 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>Equity and liabilities</b>			
Share capital		568.182	568.182
Other statutory reserves		0	3.804.807
Retained earnings		<u>-17.442.342</u>	<u>-29.090.522</u>
<b>Equity</b>	<b>6</b>	<b><u>-16.874.160</u></b>	<b><u>-24.717.533</u></b>
Convertible and profit-yielding instruments of debt		25.817.121	25.262.854
Corporation tax		<u>525.823</u>	<u>0</u>
<b>Total non-current liabilities</b>	<b>7</b>	<b><u>26.342.944</u></b>	<b><u>25.262.854</u></b>
Trade payables		150.905	1.601
Other payables		7.138.024	2.656.708
Deferred income		<u>20.000</u>	<u>20.000</u>
<b>Total current liabilities</b>		<b><u>7.308.929</u></b>	<b><u>2.678.309</u></b>
<b>Total liabilities</b>		<b><u>33.651.873</u></b>	<b><u>27.941.163</u></b>
<b>Total equity and liabilities</b>		<b><u>16.777.713</u></b>	<b><u>3.223.630</u></b>
Uncertainty about the continued operation (going concern)	8		

## Notes

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	0	-72.025
Other staff costs	<u>0</u>	<u>761</u>
	<u><b>0</b></u>	<u><b>-71.264</b></u>
Average number of employees	<u>0</u>	<u>0</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	<u>525.823</u>	<u>0</u>
	<u><b>525.823</b></u>	<u><b>0</b></u>



## Notes

### 3 Intangible assets

	Acquired patents	Development projects in progress
Cost at 1 April 2018	2.597.275	6.478.620
Disposals for the year	-2.597.275	-6.478.620
Cost at 31 March 2019	<u>0</u>	<u>0</u>
Impairment losses and amortisation at 1 April 2018	1.256.077	4.681.513
Impairment and depreciation of sold assets for the year	-1.256.077	-4.681.513
Impairment losses and amortisation at 31 March 2019	<u>0</u>	<u>0</u>
<b>Carrying amount at 31 March 2019</b>	<b><u>0</u></b>	<b><u>0</u></b>

### 4 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 April 2018	<u>1.006.835</u>
Cost at 31 March 2019	<u>1.006.835</u>
Impairment losses and depreciation at 1 April 2018	<u>1.006.835</u>
Impairment losses and depreciation at 31 March 2019	<u>1.006.835</u>
<b>Carrying amount at 31 March 2019</b>	<b><u>0</u></b>

## Notes

### 5 Fixed asset investments

	Receivables from group companies
Cost at 1 April 2018	0
Additions for the year	13.730.138
Cost at 31 March 2019	13.730.138
<b>Carrying amount at 31 March 2019</b>	<b>13.730.138</b>

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.

### 6 Equity

	Share capital	Other statutory reserves	Retained earnings	Total
Equity at 1 April 2018	568.182	3.804.807	-32.895.329	-28.522.340
Net profit/loss for the year	0	-3.804.807	15.452.987	11.648.180
<b>Equity at 31 March 2019</b>	<b>568.182</b>	<b>0</b>	<b>-17.442.342</b>	<b>-16.874.160</b>

Other statutory reserves have been reclassified to Other debt, since it relates to payable "Skattekreditordning".

## Notes

### 7 Long term debt

	<u>2018/19</u>	<u>2017/18</u>
	DKK	DKK
<b>Convertible and profit-yielding instruments of debt</b>		
Between 1 and 5 years	<u>25.817.121</u>	<u>25.262.854</u>
Non-current portion	25.817.121	25.262.854
Within 1 year	<u>0</u>	<u>0</u>
	<b><u>25.817.121</u></b>	<b><u>25.262.854</u></b>
<b>Corporation tax</b>		
Between 1 and 5 years	<u>525.823</u>	<u>0</u>
Non-current portion	525.823	0
Current portion	<u>0</u>	<u>0</u>
	<b><u>525.823</u></b>	<b><u>0</u></b>

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.

### 8 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 considers 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.