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Scotia ApS
Vedbæk Strandvej 328, 2950 Vedbæk

Company reg. no. 36 08 43 32

Annual report

1 April 2016 - 31 March 2017

The annual report have been submitted and approved by the general meeting on the 1 September 2017.



Casper Slumstrup
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of Scotia ApS for the financial year 1 April 2016 to 31 March 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2017 and of the company's results of its activities in the financial year 1 April 2016 to 31 March 2017.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Vedbæk, 30 August 2017

Managing Director



Søren Meiling

Independent auditor's report

To the shareholders of Scotia ApS

Auditor's report on the annual accounts

Disclaimer of opinion

We have been appointed auditors with a view to performing an audit of the annual accounts of Scotia ApS for the financial year 1 April 2016 - 31 March 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

We do not express any opinion on the annual accounts. Due to the significance of the matter described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion on the annual accounts.

Basis for disclaimer of opinion

We have not been able to obtain sufficient audit evidence connecting the listing of the company's stock and its value of DKK 3.376.239. In addition, there is doubt regarding the valuation of the company's patents of DKK 1.860.653 and development assets of DKK 5.195.747. In view of this, we are not presenting the annual report with an opinion on the annual accounts.

Emphasis of matter

We draw attention to the fact that the company has lost its contributed capital and therefore is subject to the capital loss rules in the Danish Companies Act §119. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters during the audit are such matters which according to our professional evaluation were the most significant found during our audit of the annual accounts for the financial year 1 April 2016 - 31 March 2017. Such matters were dealt with as part of our audit of the annual accounts as such and of the formulation of our opinion on the annual accounts, and we do not express any separate opinion on these matters.

Except from the matters described in the paragraph "Basis for disclaimer of opinion", we have found that there are no other key audit matters to be communicated in our auditor's report.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our responsibility is to perform an audit of the annual accounts in accordance with international standards on auditing and the additional requirements applicable in Denmark and to submit an auditor's report. However, due to the matters described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence that could provide basis for an opinion on the annual accounts.

We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements.

Statement on the management's review

As it appears from the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence that could provide basis for an opinion on the annual accounts. As a consequence, we do not express an opinion on the management's review.

Significant uncertainty regarding going concern

We note that there is significant uncertainty that can raise significant doubts about the company's ability to continue its operations. We refer to note 1 in the financial statement which explain the matter.

Copenhagen, 30 August 2017

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Søren Poulsen

State Authorised Public Accountant

Company data

The company

Scotia ApS
Vedbæk Strandvej 328
2950 Vedbæk

Company reg. no. 36 08 43 32
Established: September 5 2014
Domicile: Vedbæk
Financial year: 1 April - 31 March

Managing Director

Søren Meiling

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

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

Unusual matters

There have been no unusual circumstances during the financial year.

Uncertainties as to recognition or measurement

During the year there has been uncertainty regarding recognition of measurement in connection with the company's development assets, patents and stocks.

Development in activities and financial matters

The results from ordinary activities after tax are t.DKK -7.859 against t.DKK -4.981 last year. The management consider the results unsatisfactory.

The company has suffered significant losses during the current financial year, as the company has suffered from missing orders of master and component parts that the company has invested in developing and patenting. The company expect a significant order of management systems which will be delivered in the summer of 2017. The company has minimized its cost level so that the company expects a positive result for the coming financial year. The company's main obligations are intercompany accounts and the management are in continuing dialogue with shareholders about a possible conversion of the company's debt to equity.

Accounting policies used

The annual report for Scotia ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The comparative figures relate to a 3 month period in connection with change of the financial year.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

Accounting policies used

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years and does not exceed 20 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	5-7 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies used

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	1/4 2016 - 31/3 2017	1/1 2016 - 31/3 2016
Gross loss	-3.798.444	-2.997
2 Staff costs	-1.185.507	-814
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.468.020	-218
Operating profit	-6.451.971	-4.029
Other financial income	148.620	0
Other financial costs	-2.665.141	-952
Results before tax	-8.968.492	-4.981
3 Tax on ordinary results	1.109.557	0
Results for the year	-7.858.935	-4.981
Proposed distribution of the results:		
Allocated to other statutory reserves	3.804.807	0
Allocated from results brought forward	-11.663.742	-4.981
Distribution in total	-7.858.935	-4.981

Balance sheet 31 March

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets		
Fixed assets		
4 Development projects in progress, patents and licences	5.195.748	1.786
5 Acquired concessions, trademarks and similar rights	1.860.653	2.379
Intangible fixed assets in total	<u>7.056.401</u>	<u>4.165</u>
6 Other plants, operating assets, fixtures and furniture	754.745	901
Tangible fixed assets in total	<u>754.745</u>	<u>901</u>
Fixed assets in total	<u>7.811.146</u>	<u>5.066</u>
Current assets		
Manufactured goods and trade goods	3.376.239	1.940
Inventories in total	<u>3.376.239</u>	<u>1.940</u>
Trade debtors	0	710
Other debtors	0	250
Accrued income and deferred expenses	0	55
Debtors in total	<u>0</u>	<u>1.015</u>
Available funds	288.569	330
Current assets in total	<u>3.664.808</u>	<u>3.285</u>
Assets in total	<u>11.475.954</u>	<u>8.351</u>

Balance sheet 31 March

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Equity and liabilities		
Equity		
7 Contributed capital	568.182	568
8 Other statutory reserves	3.804.807	0
9 Results brought forward	-21.321.825	-9.658
Equity in total	-16.948.836	-9.090
Liabilities		
10 Convertible loan	20.760.977	15.004
Long-term liabilities in total	20.760.977	15.004
Bank debts	11.306	0
Trade creditors	1.637	302
Corporate tax	463.422	0
Other debts	7.187.448	2.135
Short-term liabilities in total	7.663.813	2.437
Liabilities in total	28.424.790	17.441
Equity and liabilities in total	11.475.954	8.351

1 Uncertainties concerning the enterprise's ability to continue as a going concern**11 Mortgage and securities**

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company's management has not been able to provide evidence of the company's ability to gain financial profit after the balance sheet date why it is associated with great uncertainty.

	1/4 2016 - 31/3 2017	1/1 2016 - 31/3 2016
2. Staff costs		
Salaries and wages	1.177.448	812
Other costs for social security	8.059	2
	1.185.507	814
Average number of employees	2	1
3. Tax on ordinary results		
Tax of the results for the year, parent company	0	0
Adjustment of tax for previous years	-1.109.557	0
	-1.109.557	0
4. Development projects in progress, patents and licences		
Cost 1 April 2016	2.265.325	1.766
Additions during the year	4.211.787	499
Cost 31 March 2017	6.477.112	2.265
Amortisation and writedown 1 April 2016	-479.089	-383
Amortisation for the year	-802.275	-96
Amortisation and writedown 31 March 2017	-1.281.364	-479
Book value 31 March 2017	5.195.748	1.786

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/3 2017</u>	<u>31/3 2016</u>
5. Acquired concessions, trademarks and similar rights		
Cost 1 April 2016	2.597.275	2.370
Additions during the year	<u>0</u>	<u>227</u>
Cost 31 March 2017	<u>2.597.275</u>	<u>2.597</u>
Amortisation and writedown 1 April 2016	-217.167	-99
Amortisation for the year	<u>-519.455</u>	<u>-119</u>
Amortisation and writedown 31 March 2017	<u>-736.622</u>	<u>-218</u>
Book value 31 March 2017	<u>1.860.653</u>	<u>2.379</u>
6. Other plants, operating assets, fixtures and furniture		
Cost 1 April 2016	1.006.835	779
Additions during the year	<u>0</u>	<u>228</u>
Cost 31 March 2017	<u>1.006.835</u>	<u>1.007</u>
Depreciation and writedown 1 April 2016	-105.800	-73
Depreciation for the year	<u>-146.290</u>	<u>-33</u>
Depreciation and writedown 31 March 2017	<u>-252.090</u>	<u>-106</u>
Book value 31 March 2017	<u>754.745</u>	<u>901</u>
7. Contributed capital		
Contributed capital 1 April 2016	<u>568.182</u>	<u>568</u>
	<u>568.182</u>	<u>568</u>
8. Other statutory reserves		
Provisions of the results for the year	<u>3.804.807</u>	<u>0</u>
	<u>3.804.807</u>	<u>0</u>

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/3 2017</u>	<u>31/3 2016</u>
9. Results brought forward		
Results brought forward 1 April 2016	-9.658.083	-4.677
Profit or loss for the year brought forward	<u>-11.663.742</u>	<u>-4.981</u>
	<u>-21.321.825</u>	<u>-9.658</u>

10. Convertible loan

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.

11. Mortgage and securities

There are no mortgage, guaranties or securities at 31 March 2017.