

NORDSENSE IVS
Amaliegade 6, 4. tv.
1256 Copenhagen K
Business Registration No
36693347

Annual report 2017

The Annual General Meeting adopted the annual report on 03.07.2018

Chairman of the General Meeting

Name: Søren Sten Christensen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
The independent auditor's compilation report	3
Management commentary	4
Income statement for 2017	5
Balance sheet at 31.12.2017	6
Statement of changes in equity for 2017	8
Notes	9
Accounting policies	11

Entity details

Entity

NORDSENSE IVS
Amaliegade 6, 4. tv.
1256 Copenhagen K

Central Business Registration No (CVR): 36693347
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Executive Board

Anders Engdal, CEO
Manuel Maestrini, director
Søren Sten Christensen, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NORDSENSE IVS for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2017 - 31.12.2017 as complied with.

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

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

Copenhagen, 03.07.2018

Executive Board

Anders Engdal
CEO

Manuel Maestrini
director

Søren Sten Christensen
director

The independent auditor's compilation report

To the Management of NORDSENSE IVS

We have compiled the financial statements of NORDSENSE IVS for the financial year 01.01.2017 - 31.12.2017 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 03.07.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Keld Juel Danielsen
State Authorised Public Accountant
Identification No (MNE) mne26741

Management commentary

Primary activities

The Company's principal activity is to develop and offer sensors with different measuring capabilities and accompanying software to visualize the gathered data.

Development in activities and finances

The Company shows a loss for the year. As the Company is still in a startup phase the result is acceptable.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Gross loss		(2.269.696)	(60)
Staff costs	2	(3.161.747)	(50)
Depreciation, amortisation and impairment losses	3	<u>(55.421)</u>	<u>0</u>
Operating profit/loss		(5.486.864)	(110)
Other financial income	4	91.791	0
Other financial expenses	5	<u>(91.609)</u>	<u>(9)</u>
Profit/loss before tax		(5.486.682)	(119)
Tax on profit/loss for the year	6	<u>724.235</u>	<u>27</u>
Profit/loss for the year		<u>(4.762.447)</u>	<u>(92)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4.762.447)</u>	<u>(92)</u>
		(4.762.447)	(92)

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Other fixtures and fittings, tools and equipment		221.588	0
Property, plant and equipment	7	221.588	0
Deposits		309.650	50
Fixed asset investments	8	309.650	50
Fixed assets		531.238	50
Deferred tax	9	0	31
Other receivables		233.739	27
Income tax receivable		758.748	0
Prepayments		1.248	0
Receivables		993.735	58
Cash		329.191	61
Current assets		1.322.926	119
Assets		1.854.164	169

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		1.000	1
Retained earnings		<u>(4.874.775)</u>	<u>(113)</u>
Equity		<u>(4.873.775)</u>	<u>(112)</u>
Deferred tax	9	<u>3.043</u>	<u>0</u>
Provisions		<u>3.043</u>	<u>0</u>
Payables to group enterprises		<u>5.047.304</u>	<u>0</u>
Non-current liabilities other than provisions		<u>5.047.304</u>	<u>0</u>
Bank loans		904	0
Trade payables		0	17
Payables to group enterprises		1.084.024	0
Payables to shareholders and management		153.605	263
Other payables		<u>439.059</u>	<u>1</u>
Current liabilities other than provisions		<u>1.677.592</u>	<u>281</u>
Liabilities other than provisions		<u>6.724.896</u>	<u>281</u>
Equity and liabilities		<u>1.854.164</u>	<u>169</u>
Going concern	1		
Unrecognised rental and lease commitments	10		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.000	(112.328)	(111.328)
Profit/loss for the year	0	(4.762.447)	(4.762.447)
Equity end of year	1.000	(4.874.775)	(4.873.775)

Notes

1. Going concern

The Company's parent company has pledged to provide the necessary cash to ensure the continued operation of the company for the coming year.

	2017	2016
	DKK	DKK'000
2. Staff costs		
Wages and salaries	3.028.876	30
Other social security costs	36.456	14
Other staff costs	96.415	6
	3.161.747	50
	2017	2016
	DKK	DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	55.421	0
	55.421	0
	2017	2016
	DKK	DKK'000
4. Other financial income		
Exchange rate adjustments	91.791	0
	91.791	0
	2017	2016
	DKK	DKK'000
5. Other financial expenses		
Financial expenses from group enterprises	81.072	4
Other interest expenses	1.313	0
Exchange rate adjustments	0	2
Other financial expenses	9.224	3
	91.609	9
	2017	2016
	DKK	DKK'000
6. Tax on profit/loss for the year		
Current tax	(758.748)	0
Change in deferred tax	34.513	(27)
	(724.235)	(27)

Notes

	Other fixtures and fittings, tools and equipment DKK	
	<u>DKK</u>	
7. Property, plant and equipment		
Additions		277.009
Cost end of year		277.009
Depreciation for the year		(55.421)
Depreciation and impairment losses end of year		(55.421)
Carrying amount end of year		221.588
	Deposits DKK	
	<u>DKK</u>	
8. Fixed asset investments		
Cost beginning of year		49.650
Additions		260.000
Cost end of year		309.650
Carrying amount end of year		309.650
	2017 DKK	2016 DKK'000
	<u>DKK</u>	<u>DKK'000</u>
9. Deferred tax		
Property, plant and equipment	3.043	0
Tax losses carried forward	0	(31)
	3.043	(31)
	2017 DKK	2016 DKK'000
	<u>DKK</u>	<u>DKK'000</u>
10. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	738.704	N/A

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.

The accounting policies applied to these financial statements are consistent with those applied last 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 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 or exchange 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.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange 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	3 years
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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.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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