

spiiio IVS

Titangade 11, 1
2200 København N

Annual report
1 January 2016 - 31 December 2016

**The annual report has been presented and
approved on the company's general meeting the**

24/05/2017

Martin Graulund Dal
Chairman of general meeting

(Not audited)

Content

Company informations

Company informations	3
----------------------------	---

Reports

Statement by Management	4
-------------------------------	---

Reports

Report on an Engagements to Compile Financial Statements	5
--	---

Management's Review

Management's Review	6
---------------------------	---

Financial statement

Accounting Policies	7
Income statement	9
Balance sheet	10
Disclosures	12

Company information

Reporting company spiiio IVS
Titangade 11, 1
2200 København N

Phone number: 25111686
e-mail: bobbyziom@gmail.com

CVR-nr: 36727829
Reporting period: 01/01/2016 - 31/12/2016

Auditor KPMG P/S
Dampfærgevej 28
2100 København Ø
DK Denmark

CVR-nr: 25578198
P-number: 1018974173

Statement by Management

The Management has today discussed and approved the annual report for the financial year

01. January – 31 December 2016 of spii IVS. The annual report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 01. January – 31 December 2016

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, the 22/05/2017

Management

Martin Graulund Dal

Opting out of auditing financial statements in next reporting period due to exemption

Management confirms that the company fulfills the requirements to be exempt of audit.

Auditor's reports

To the management of spii IVS

We have prepared the annual report of spii IVS for the income year 01. January to 31 December 2016 based on the Company's bookkeeping and additional information that you have provided.

The annual report comprises accounting practice, profit/loss, balance sheet and notes.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Information. We applied our professional expertise in order to assist you in preparing and presenting the annual report in accordance with the Danish Financial Statement Act. We complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical rules, including principles regarding integrity, objectivity, professional competence and due care.

The annual and the accuracy and completeness of the information applied when preparing the annual report are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have provided to us for the purpose of our preparation of the annual report. Consequently, we do not express any opinion as to whether the annual report has been prepared in accordance with Danish Financial Statement Act.

Copenhagen, 22/05/2017

Morten Høgh-Petersen
State Authorised Public Accountant
KPMG P/S
CVR: 25578198

Management's Review

Main activities

Spiio is a tech startup company developing solutions within Internet of things, sensors and big data. Currently the company is focused on developing a combined sensor and software solution for measuring plant health. The solution provides the users with information about when and how their plants need to be looked after. The product is designed for B2B customers and currently marketed towards industries such as interior plantscapers, exterior plantscapers, tree nurseries and high value agriculture crop farms such as vineyards

Development in the year

This year has primarily been focused on product and business development through rapid prototyping, user centered design, market validation and market research. The company has established good international relations and have been running pilot projects using beta products, with various large customers in the US, Netherlands, Belgium, Sweden, Norway, DK and UK.

Expectations in the coming year

In the coming year the company expects to both convert existing beta users to paying users and ramp up sales efforts to acquire new customers. On this background the management assesses that the company will have adequate liquidity in the coming year considering the expected sales and potential external investments.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

General

The annual report of spiiio IVS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Income from the sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.

Other operating costs

Other operating costs comprise items secondary to the Company's activities, including loss on the sale 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. Financial items comprise interest income and interest expense.

Dividends from investments in subsidiaries are recognised in the income statement in the year when the dividends are declared.

Tax on profit/loss for the year

The Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish companies. The Company serves as the administrative company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities. Current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In relation thereto, enterprises with tax losses receive joint taxation contributions from enterprises, which have been able to use this loss to reduce their tax loss.

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years

Equity**Dividends**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid. Other liabilities are measured at net realisable value.

Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 kr.	2015 kr.
Gross Result		206,288	-14,540
Employee expense	1	-198,958	0
Profit (loss) from ordinary operating activities		7,330	-14,540
Other finance income		1,370	0
Other finance expenses		-1,422	0
Profit (loss) from ordinary activities before tax		7,278	-14,540
Tax expense		-1,760	0
Profit (loss)		5,518	-14,540
Proposed distribution of results			
Retained earnings		5,518	-14,540
Proposed distribution of profit (loss)		5,518	-14,540

Balance sheet 31 December 2016

Assets

	Disclosure	2016 kr.	2015 kr.
Fixtures, fittings, tools and equipment		0	6,535
Property, plant and equipment		0	6,535
Investments in group enterprises		1,000	0
Deposits		18,000	0
Investments		19,000	0
Total non-current assets		19,000	6,535
Manufactured goods and goods for resale		0	11,200
Inventories		0	11,200
Trade receivables		9,807	0
Receivables from group enterprises		89,297	0
Other receivables		23,900	0
Deferred income assets		6,012	0
Receivables		129,016	0
Cash and cash equivalents		33,273	32,561
Current assets		162,289	43,761
Total assets		181,289	50,296

Balance sheet 31 December 2016

Liabilities and equity

	Disclosure	2016 kr.	2015 kr.
Contributed capital	2	2,500	2,000
Retained earnings		-8,888	-14,406
Total equity		-6,388	-12,406
Trade payables		71,430	0
Tax payables		1,760	0
Other payables, including tax payables, liabilities other than provisions		66,234	62,702
Payables to shareholders and management		48,253	0
Short-term liabilities other than provisions, gross		187,677	62,702
Liabilities other than provisions, gross		187,677	62,702
Liabilities and equity, gross		181,289	50,296

Disclosures

1. Employee expense

	2016 kr.	2015 kr.
Wages and salaries	196.748	0
Post employment benefit expense	0	0
Social security contributions	2.210	0
	198.958	0
Avg. number of employees	1	0

2. Contributed capital

	kr.
Changes in share capital the last 5 years:	
Share capital 31.12.2015.	2.000
Increase 26.02.2016, capitalincrease	500
Share capital, end of year	2.500

3. Disclosure of ownership

Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

Spiio Inc, 470 Ramona St, USA