

**CIID Nest ApS
Central Business Registration No
36897570
Toldbodgade 37 B
DK-1253 Copenhagen K**

Annual report 2015

The Annual General Meeting adopted the annual report on 16.06.2016

Chairman of the General Meeting

Name: Simona Maschi

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	8
Balance sheet at 31.12.2015	9
Statement of changes in equity for 2015	11
Notes	12

Entity details

Entity

CIID Nest ApS
Toldbodgade 37 B
DK-1253 Copenhagen K

Central Business Registration No: 36897570

Registered in: Copenhagen

Financial year: 05.05.2015 - 31.12.2015

Executive Board

Simona Maschi, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of CIID Nest ApS for the financial year 05.05.2015 - 31.12.2015.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 05.05.2015 - 31.12.2015.

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

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

Copenhagen, 16.06.2016

Executive Board

Simona Maschi
CEO

Independent auditor's reports

To the owner of CIID Nest ApS

Report on the financial statements

We have audited the financial statements of CIID Nest ApS for the financial year 05.05.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 05.05.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Emphasis of matter affecting the financial statements

Without modifying our opinion, we point out that great uncertainty exists regarding the Company's going concern. We refer to the information provided in note 1, in which it appears that the Company's going concern is dependent on either extra commitment of funding through loans or increase of capital through investments. According to Management's assessment, sufficient funding will be accommodated through either extra commitment of funding through loans or increase of capital through investments and they present the annual report under the assumption of going concern.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 16.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Bjørn Winkler Jacobsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

CIID Nest ApS contains the Nest at CIID. The Nest is a start-up incubator for design-driven entrepreneurs

Development in activities and finances

The Company has realised a loss of DKK 64,900 which is not satisfactory. Management will be providing sufficient funding and, therefore, the annual report is presented under the assumption of going concern.

Management expects positive results next year.

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.

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 enterprises.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Accounting policies

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 write-downs of receivables recognised in current assets.

Balance sheet

Receivables

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

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>
Other operating income		346,441
Other external expenses		(411,341)
Profit/loss for the year		<u><u>(64,900)</u></u>
Proposed distribution of profit/loss		
Retained earnings		<u>(64,900)</u>
		<u><u>(64,900)</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>
Receivables from group enterprises		16,399
Other short-term receivables		<u>46,427</u>
Receivables		<u>62,826</u>
Current assets		<u>62,826</u>
Assets		<u><u>62,826</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>
Contributed capital	2	50,000
Retained earnings		<u>(64,900)</u>
Equity		<u>(14,900)</u>
Trade payables		<u>62,500</u>
Non-current liabilities other than provisions		<u>62,500</u>
Bank loans		226
Other payables		<u>15,000</u>
Current liabilities other than provisions		<u>15,226</u>
Liabilities other than provisions		<u>77,726</u>
Equity and liabilities		<u><u>62,826</u></u>
Going concern	1	
Contingent liabilities	3	
Ownership	4	

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Contribution concerning formation of entity	50,000	0	50,000
Profit/loss for the year	0	(64,900)	(64,900)
Equity end of year	50,000	(64,900)	(14,900)

Notes

1. Going concern

The Company's going concern is dependent on either extra commitment of funding through loans or increase of capital through investments. According to Management's assessment, sufficient funding will be accommodated through either extra commitment of funding through loans or increase of capital through investments and they present the annual report under the assumption of going concern.

	2015
	DKK
2. Contributed capital	
Changes in contributed capital	
Increase of capital	50,000
Contributed capital end of year	50,000

3. Contingent liabilities

The Company participates in a Danish joint taxation arrangement, in which Copenhagen Institute of Interaction Design ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 5 May 2015 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

4. Ownership

The following shareholder is registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Copenhagen Institute of Interaction Design ApS, Copenhagen