

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

Annual report 2016

The Annual General Meeting adopted the annual report on 20.06.2017

Chairman of the General Meeting

Name: Simona Maschi

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Entity details

Entity

CIID Nest ApS
Toldbodgade 37 B
DK-1253 Copenhagen K

Central Business Registration No: 36897570
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

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 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 20.06.2017

Executive Board

Simona Maschi
CEO

Independent auditor's report

To the shareholder of CIID Nest ApS

Opinion

We have audited the financial statements of CIID Nest ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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

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.

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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

Independent auditor's report

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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with

Independent auditor's report

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 20.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bjørn Winkler Jacobsen
State Authorised Public Accountant

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 703.051 which is not satisfactory. The Companys equity has been lost during the year. 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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other operating income		673.359	346.441
Other external expenses		<u>(1.290.686)</u>	<u>(411.115)</u>
Gross profit/loss		(617.327)	(64.674)
Staff costs		<u>(82.667)</u>	<u>0</u>
Operating profit/loss		(699.994)	(64.674)
Other financial expenses		<u>(3.057)</u>	<u>(226)</u>
Profit/loss for the year		<u>(703.051)</u>	<u>(64.900)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(703.051)</u>	<u>(64.900)</u>
		<u>(703.051)</u>	<u>(64.900)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Receivables from group enterprises		0	16.399
Other receivables		736.124	46.427
Receivables		736.124	62.826
Other investments		51.560	0
Other investments		51.560	0
Cash		63.799	0
Current assets		851.483	62.826
Assets		851.483	62.826

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		50.000	50.000
Retained earnings		(767.951)	(64.900)
Equity		<u>(717.951)</u>	<u>(14.900)</u>
Trade payables		62.496	62.500
Payables to group enterprises		1.480.938	0
Non-current liabilities other than provisions		<u>1.543.434</u>	<u>62.500</u>
Bank loans		0	226
Other payables		26.000	15.000
Current liabilities other than provisions		<u>26.000</u>	<u>15.226</u>
Liabilities other than provisions		<u>1.569.434</u>	<u>77.726</u>
Equity and liabilities		<u>851.483</u>	<u>62.826</u>
Going concern	1		
Contingent liabilities	2		
Related parties with controlling interest	3		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50.000	(64.900)	(14.900)
Profit/loss for the year	0	(703.051)	(703.051)
Equity end of year	50.000	(767.951)	(717.951)

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.

2. 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.

3. Related parties with controlling interest

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

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.

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.

Accounting policies

Staff costs

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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.

Balance sheet

Receivables

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

Other investments

Securities recognised under current assets comprise unlisted investments measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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