

KMD Venture A/S

Lautrupparken 40

2750 Ballerup

CVR No. 36905356

Annual Report 2017

Årsrapporten er fremlagt og
godkendt på selskabets
generalforsamling.

Dato: 28/5-18

Dirigent:  Jacob A. Drøhse

KMD Venture A/S

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KMD Venture A/S

Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2017 - 31 December 2017 for KMD Venture A/S.

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

In our opinion, the Financial Statements provide a fair presentation of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

In our opinion the Management's review provides a fair account of the circumstances discussed.

It is recommended that the annual report be approved by the Annual General Meeting.

Ballerup, 28 May 2018

Executive Board

Niklas Marschall
Man. Director

Board of Directors

Betina Vestergaard Hagerup
Chair

Eva Berneke

Jannich Kiholm Lund

Independent Auditor's Report

To the shareholders of KMD Venture A/S

Opinion

We have audited the financial statements of KMD Venture A/S for the financial year 01-01-2017 - 31-12-2017, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31-12-2017 and of the results of its operations for the financial year 01-01-2017 - 31-12-2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

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 considers 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 Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

Independent Auditor's Report

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Hellerup, 28 May 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerskab
CVR-no. 33771231

Mikkel Sthyr
State Authorised Public Accountant
mne26693

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

KMD Venture A/S

Company details

Company	KMD Venture A/S Lautrupparken 40 2750 Ballerup
CVR No.	36985356
Financial year	1 January 2017 - 31 December 2017
Board of Directors	Betina Vestergaard Hagerup, Chair Eva Berneke Jannich Kiholm Lund
Executive Board	Niklas Marschall, Man. Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The entity's principal activities

The entity's principal activities is to identify and invest in opportunities that are not naturally captured by KMD's ongoing business, but in the long term may have significant strategic and financial importance for KMD. Through direct investment in innovative start-ups and in partnerships with other companies, KMD expects to develop a stronger innovation capability and a faster and more flexible approach to try out new business opportunities.

Development in activities and financial matters

The entity's income statement of the financial year 01-01-2017 - 31-12-2017 shows a result of TDKK -710 and the Balance sheet at 31-12-2017 a balance sheet total of TDKK 6.336 and an Equity of TDKK 5.711.

KMD Venture A/S will always invest together with other companies and contribute with knowledge as well as pre-seed or seed funding to concepts or newly established start-ups.

As the investments are made in startup companies uncertainties exist regarding the future cash flow from the investments.

Accounting Policies

Reporting Class

The Annual Report of KMD Venture A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Reporting currency

The Annual Report is presented in Thousand Danish kroner (t.kr.).

General Information

Basis of recognition and measurement

Revenue is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the revenue for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions, as well as reversals as a result of changes to accounting estimates previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially recognized at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. Any exchange gains and losses are recognized over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or refute circumstances existing at the balance sheet date.

Income Statement

Other external expenses

Other external expenses include expenses relating to sales and administration.

Income from equity investments in associates

Income from equity investments comprises dividends received from associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Financial items comprise interest income and expenses, realized and unrealized exchange gains and losses relating to securities, debt and transactions in foreign currencies, dividends received on other equity investments, amortization of financial assets and liabilities, and additions and reimbursements under the on-account tax scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's

Accounting Policies

adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Investments

Equity investments in associates are measured in the company's financial statements at cost less write-downs.

Loans to associates are recognized in the financial statements under Investments provided they are non-current.

Dividends and income from equity investments in Group enterprises

This accounting item includes write-downs and the dividend for the year from associates. The dividend is recognized when the shareholder's dividend entitlement is approved by the competent company bodies.

If the dividend exceeds total earnings since the acquisition date, it is recognized as a write-down of the cost of the investment.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Financial liabilities

Financial liabilities are recognized when a loan is raised at the proceeds received less transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost on the basis of the effective interest rate on the borrowing date.

Payables to group companies and other debt is measured at amortized cost, equivalent to the nominal debt outstanding.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

KMD Venture A/S

Income Statement

	Note	2017 tkr.	2016 tkr.
Other external expenses		-257	-34
Gross result		-257	-34
Income from investments in group enterprises and associates		-393	0
Finance expences	1	-117	-53
Profit from ordinary activities before tax		-767	-87
Tax expense on ordinary activities		57	8
Profit		-710	-79
Proposed distribution of results			
Retained earnings		-710	-79
		-710	-79

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
Assets			
Long-term investments in associates	2	4.051	1.837
Investments		4.051	1.837
Fixed assets		4.051	1.837
Short-term receivables from group enterprises		500	0
Short-term receivables from associates		100	300
Short-term tax receivables		58	8
Receivables		658	308
Cash and cash equivalents		1.627	102
Current assets		2.285	410
Assets		6.336	2.247

Balance Sheet as of 31 December

	Note	2017 tkr.	2016 tkr.
Liabilities and equity			
Contributed capital		501	500
Retained earnings		5.210	-79
Proposed dividend recognised in equity	3	0	0
Equity	4	5.711	421
Payables to parent company		625	1.796
Other payables		0	30
Short-term liabilities other than provisions		625	1.826
Liabilities other than provisions within the business		625	1.826
Liabilities and equity		6.336	2.247
Significant events occurring after end of reporting period	5		
Contingent liabilities	6		
Collaterals and assets pledged as security	7		
Related parties	8		

Notes

	2017	2016
1. Finance expenses		
t.kr.		
Finance expenses arising from group enterprises	116	53
Other finance expenses	1	0
	<u>117</u>	<u>53</u>

2. Disclosure in long-term investments in group enterprises and associates*Associates*

Name	Registered office	Share held in %	Equity	Profit/loss
Relabee ApS	Copenhagen	49,00	149	-1.401
Legacy ApS	Copenhagen	42,00	4	-607
Code Creation IVS	Copenhagen	15,00	12	-173
KUBO Robotics ApS	Odense	9,10	81	-421
Kompis Holding IVS	Copenhagen	10,18	0	
			<u>246</u>	<u>-2.602</u>

Above results are from the 2016 Annual Reports. Kompis Holding IVS has not published any financial results.

Notes

3. Proposed dividend for the financial year

The profit for the year on DKK -710k is proposed to be distributed to retained earnings.

4. Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity, beginning balance	500	-79	421
Capital increase	1	5.999	6.000
Net profit/loss for the year		-710	-710
	501	5.210	5.711

The share capital has been increased with 1 t.kr. in 2017. The share capital has been unchanged in 2015 and 2016.

5. Significant events occurring after end of reporting period

There have been no events after the balance sheet date with a material impact on the Company's financial position as of 31 December 2017.

6. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

7. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

The shares in KMD Venture A/S have been pledged as security for the senior loan agreement.

KMD Venture A/S is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

8. Related parties

The following shareholder is listed in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital: KMD A/S

KMD A/S has Domicile in Ballerup, Denmark.

KMD Venture is fully owned by KMD A/S which is a part of KMD Holding ApS Group. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.