

Bendt IPR ApS

Inge Lehmanns Gade 10

8000 Aarhus C

Central Business Registration No

37117358

Annual report 2015/16

The Annual General Meeting adopted the annual report on 06.03.2017

Chairman of the General Meeting

Name: Øjvind Hulgaard

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Entity details

Entity

Bendt IPR ApS
Inge Lehmanns Gade 10
8000 Aarhus C

Central Business Registration No: 37117358

Founded: 28.09.2015

Registered in: Aarhus

Financial year: 28.09.2015 - 31.12.2016

Board of Directors

Øjvind Hulgaard
Åge Troels Dragsted
Mads Kristian Metho Reinhold Bendt

Executive Board

Åge Troels Dragsted

Bank

Handelsbanken
Åboulevarden 11
8000 Aarhus C

Lawyer

Hulgaard Advokater P/S
Marselisborg Havnevej 22, 1.
8000 Aarhus C

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus 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 Bendt IPR ApS for the financial year 28.09.2015 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 28.09.2015 - 31.12.2016.

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

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

Aarhus C, 23.02.2017

Executive Board

Åge Troels Dragsted

Board of Directors

Øjvind Hulgaard

Åge Troels Dragsted

Mads Kristian Metho Reinhold
Bendt

Independent auditor's reports

To the shareholders of Bendt IPR ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Bendt IPR ApS for the financial year 28.09.2015 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, 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 28.09.2015 - 31.12.2016 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 the financial statements or our knowledge obtained in the extended review 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.

Aarhus C, 23.02.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jakob Boutrup Ditlevsen

State Authorised Public Accountant

Management commentary

Primary activities

The Company was founded in September 2015 with the object clause to own intellectual property rights and patent rights in relation to development, production and sales of mobile vehicles either direct or through subsidiaries or through license agreements with other companies, and other related business.

Development in activities and finances

The Company owns the rights to the innovative new wheel frame for which the co-founder, Mr. Mads Bendt, had already filed a patent application. The activities related to development, production and sales of electric wheelchairs were placed in the fully owned subsidiary Agile 360 A/S. A license agreement has been signed between Agile 360 A/S and Bendt IPR ApS, which grants Agile 360 rights to the patent for use exclusively in relation to the development and marketing of powered wheelchairs.

The activities of Bendt IPR ApS have been limited to supplying capital for Agile 360 A/S and to supporting the pending patent application for the innovative new wheel frame. During this process a positive report has been obtained from an international investigator and the process is now in the national phase where patent applications have been submitted for the following countries: Europe, Israel, the U.S., Canada, China, Japan, South Korea, and Australia.

The national phase will continue during the coming year and is expected to last 1-2 additional years in some of the counties.

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 2015/16

	<u>Notes</u>	<u>2015/16</u> <u>DKK</u>
Other external expenses		<u>(30.000)</u>
Operating profit/loss		(30.000)
Income from investments in group enterprises		(159.670)
Other financial income from group enterprises		64.750
Other financial expenses		<u>(388.544)</u>
Profit/loss before tax		(513.464)
Tax on profit/loss for the year	1	<u>72.000</u>
Profit/loss for the year		<u>(441.464)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(441.464)</u>
		<u>(441.464)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2015/16</u> <u>DKK</u>
Acquired patents		<u>277.148</u>
Intangible assets		<u>277.148</u>
Investments in group enterprises		<u>6.905.080</u>
Fixed asset investments		<u>6.905.080</u>
Fixed assets		<u>7.182.228</u>
Deferred tax	2	72.000
Other receivables		<u>49.572</u>
Receivables		<u>121.572</u>
Cash		<u>16.106</u>
Current assets		<u>137.678</u>
Assets		<u>7.319.906</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2015/16</u> <u>DKK</u>
Contributed capital	3	75.000
Share premium		300.000
Retained earnings		<u>(441.464)</u>
Equity		<u>(66.464)</u>
Subordinate loan capital	4	<u>7.381.370</u>
Non-current liabilities other than provisions	5	<u>7.381.370</u>
Trade payables		<u>5.000</u>
Current liabilities other than provisions		<u>5.000</u>
Liabilities other than provisions		<u>7.386.370</u>
Equity and liabilities		<u>7.319.906</u>
Contingent liabilities	6	

Statement of changes in equity for 2015/16

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50.000	0	0	50.000
Increase of capital	25.000	300.000	0	325.000
Profit/loss for the year	0	0	(441.464)	(441.464)
Equity end of year	75.000	300.000	(441.464)	(66.464)

Notes

	2015/16
	DKK
1. Tax on profit/loss for the year	
Change in deferred tax for the year	(72.000)
	(72.000)

2. Deferred tax

The value of deferred tax is recognized in the balance as it is expected to be utilized over the next 3-5 years. Management has based the estimate on budgets and estimates for the coming year for the group.

	Number	Par value DKK	Nominal value DKK
3. Contributed capital			
Share class A	25.000	1	25.000
Share class B	25.000	1	25.000
Share class C	25.000	1	25.000
	75.000		75.000

4. Subordinate loan capital

The Company has subordinated loans totalling DKK 7,381,370, which is subordinated to unsecured debts. The loans carry interest at 8% p.a.

5. Liabilities other than provisions

Of the long-term debt due 7,381,370 DKK for payment after more than 5 years.

6. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly entities, and if any, relating the the withholding of tax on interest, royalties and dividends for the entities.

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 with addition of certain provisions for reporting class C.

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 rate 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.

Public grants

Public grants are recognised when final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as received. Grants awarded for acquisition of assets are deducted from the asset cost.

Income statement

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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Accounting policies

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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.

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.

The Entity is jointly taxed with Bendt IPR ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Accounting policies

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

Deferred tax

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

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.

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.