

Agile 360 ApS
Trankærgårdsvej 96
8310 Tranbjerg J
Business Registration No
37127965

Annual report 2017

The Annual General Meeting adopted the annual report on 07.06.2018

Chairman of the General Meeting

Name: Øjvind Hulgaard

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Entity details

Entity

Agile 360 ApS
Trankærgårdsvej 96
8310 Tranbjerg J

Central Business Registration No (CVR): 37127965
Founded: 29.09.2015
Registered in: Aarhus
Financial year: 01.01.2017 - 31.12.2017

Executive Board

Mads Kristian Metho Reinhold Bendt

Lawyer

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

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Værkmestergade 2, 18.
8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Agile 360 ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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

I recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

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

Aarhus, 07.06.2018

Executive Board

Mads Kristian Metho
Reinhold Bendt

Independent auditor's reports

To the shareholders of Agile 360 ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Agile 360 ApS for the financial year 01.01.2017 - 31.12.2017. 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 31.12.2017 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.

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, 07.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jakob Boutrup Ditlevsen
State Authorised Public Accountant
Identification No (MNE) mne27725

Management commentary

Primary activities

Agile 360 was founded in September 2015 with the object clause to develop, produce and sell electrically powered wheelchairs and other business relating to this. The purpose is to utilize the innovative new wheel frame for which the parent company, Bendt IPR ApS, is applying for patent rights. A license agreement has been signed between Agile 360 and Bendt IPR, wherein it has been agreed to that Agile 360 are given rights to the patent for use exclusively in relation to the development and marketing of powered wheelchairs.

Development in activities and finances

Agile 360 established a development team lead by the inventor and co-founder of Bendt IPR, Mr. Mads Bendt, M.Sc. Mech. Eng., MBA and BA Education. The first, fully functional prototype of the developed wheelchair stemming from this arrangement was completed by March 2016, and the following prototype #2 with a design close to the intended for the final version was completed by November 2016.

In 2017 we focused on fundraising for the rest of the development, finding partners and finishing the construction of prototype #2. Unfortunately, we did not succeed with finding relevant partners that would participate, and hereby providing additionally funds for development of the powered wheelchair. There were a combination of reasons for this: 1. The needed work for approval for the vehicle, as a medical device, was much larger and resource demanding than anticipated; 2. The possible partners did not, though acknowledging the innovation and novelty, find the project at a level, regarding time to market, where they would participate; 3. The possible partners found that, there request regarding positioning of the footrest could not comply with their request and that this problem was unsolvable.

The project regarding development of a powered wheelchair based on the patent pending wheel frame ended September 2017.

This resulted in rapid and deep changes in Agile 360 as it was needed to cut down on all expenses and change focus: 1. The development staff was led off; 2. The rent in Navitas was initially cut by moving to new facilities in Navitas and later to Tranbjerg at Mads; 3. Mads took the place as new CEO; 4. The company changed from A/S to ApS.

Agile 360 was in 2017 supported financially by several external parties. "Markedsmodningsfonden" in English: The Marked Development Fund, a public fund under the Danish Business Authority, a branch of the Ministry of Business, has granted a subsidy of 1.8 mio.DKK in November 2016, following a quite thorough application process. Further Agile 360 was granted 830 t.DKK from "Innobooster" in April 2017. The funding has been stopped for the period after September 2017.

In December 2016, the Aarhus Municipality, Department of Welfare Technology and Supported Living, prepaid 500 t.DKK for 10 units of the Agile 360 mobility device. This amount has been returned in 2017.

In the forthcoming year, Agile 360 will await the situation and keep use resources on a low state.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Own work capitalised		2.000.000	5.000.000
Other operating income		614.391	0
Other external expenses		<u>(1.631.856)</u>	<u>(3.619.367)</u>
Gross profit/loss		982.535	1.380.633
Staff costs	1	(1.236.146)	(1.510.179)
Depreciation, amortisation and impairment losses		<u>(7.000.000)</u>	<u>0</u>
Operating profit/loss		(7.253.611)	(129.546)
Financial expenses from group enterprises		0	(64.750)
Other financial expenses		<u>(1.226)</u>	<u>(2.374)</u>
Profit/loss before tax		(7.254.837)	(196.670)
Tax on profit/loss for the year	2	<u>1.503.000</u>	<u>37.000</u>
Profit/loss for the year		<u>(5.751.837)</u>	<u>(159.670)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(5.751.837)</u>	<u>(159.670)</u>
		<u>(5.751.837)</u>	<u>(159.670)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Development projects in progress		0	5.000.000
Intangible assets	3	0	5.000.000
 Fixed assets		 0	 5.000.000
 Trade receivables		7.375	623.750
Receivables from group enterprises		663.386	0
Other receivables		0	81.296
Income tax receivable		440.000	1.100.000
Receivables		1.110.761	1.805.046
 Cash		 84.145	 1.973.340
 Current assets		 1.194.906	 3.778.386
 Assets		 1.194.906	 8.778.386

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		50.000	1.000.000
Share premium		0	6.064.750
Reserve for development expenditure		0	3.900.000
Retained earnings		<u>1.103.243</u>	<u>(4.059.670)</u>
Equity		<u>1.153.243</u>	<u>6.905.080</u>
Deferred tax		<u>0</u>	<u>1.063.000</u>
Provisions		<u>0</u>	<u>1.063.000</u>
Contract work in progress		0	499.000
Trade payables		30.000	128.023
Other payables		<u>11.663</u>	<u>183.283</u>
Current liabilities other than provisions		<u>41.663</u>	<u>810.306</u>
Liabilities other than provisions		<u>41.663</u>	<u>810.306</u>
Equity and liabilities		<u>1.194.906</u>	<u>8.778.386</u>

Contingent liabilities

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Statement of changes in equity for 2017

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	1.000.000	6.064.750	3.900.000	(4.059.670)
Decrease of capital	(950.000)	0	0	950.000
Transfer to reserves	0	(6.064.750)	0	6.064.750
Profit/loss for the year	0	0	(3.900.000)	(1.851.837)
Equity end of year	50.000	0	0	1.103.243
				Total DKK
Equity beginning of year				6.905.080
Decrease of capital				0
Transfer to reserves				0
Profit/loss for the year				(5.751.837)
Equity end of year				1.153.243

Notes

	2017	2015/16
	DKK	DKK
1. Staff costs		
Wages and salaries	1.146.231	1.316.601
Other social security costs	14.019	7.648
Other staff costs	75.896	185.930
	1.236.146	1.510.179
 Average number of employees	 4	 3
	2017	2015/16
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	(440.000)	(1.100.000)
Change in deferred tax	(1.063.000)	1.063.000
	(1.503.000)	(37.000)
		Develop-
		ment
		projects in
		progress
		DKK
3. Intangible assets		
Cost beginning of year		5.000.000
Additions		2.000.000
Cost end of year		7.000.000
Impairment losses for the year		(7.000.000)
Amortisation and impairment losses end of year		(7.000.000)
Carrying amount end of year		0

Development projects

The capitalized development projects in progress are related to development of a new advanced mobility vehicle.

The project regarding development of a powered wheelchair based on the patent pending wheel frame ended September 2017 and therefore the value of the project is bring as a losse.

Notes

4. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Bendt IPR ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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.

The accounting policies applied to these financial statements are consistent with those applied last year.

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 earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Own work capitalised

Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

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

Accounting policies

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 the parent company. 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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Accounting policies

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

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

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.

Other financial liabilities

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