



ROSENBY ENGINEERING

Rosenby Engineering ApS

CVR-no. 37 46 40 82

Campingpladsvej 17, Østerby Havn
9940 Læsø

Annual Report 2019

(Financial year 1 January 2019 - 31 December 2019)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 17 February 2020

Jesper Rosenfeldt Hansen
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2019 - 31 December 2019 for Rosenby Engineering ApS.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

The Annual Report, which is unaudited, has been prepared in accordance with legal requirements. Board of Directors declares that the conditions for waiving the audit are met.

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2019.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Læsø, 17 February 2020

Executive Board:

Martin Dyrmann
Winkel

Jesper Rosenfeldt
Hansen

Board of Directors:

Steffen Conradsen

Jesper Rosenfeldt
Hansen

Steen Ulf Jensen

The AGM has decided that the financial statements for the next year shall not be audited.

Auditor's Compilation Report

To Shareholders of Rosenby Engineering ApS

We have compiled the accompanying financial statements of Rosenby Engineering ApS for the financial year 1 January 2019 - 31 December 2019, based on information the management have provided.

The financial statements comprise the income statement, the balance sheet, statement of changes in equity and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise to assist you in the preparation and presentation of these financial statements in accordance with Danish Financial Statements Act. We have complied with the rules in the Danish Audit Act and FSR - danske revisorer's ethic guidelines for auditors, including the principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with Danish Financial Statements Act.

Allerød, 17 February 2020

**Piaster Revisorerne,
Statsautoriseret Revisionsaktieselskab
CVR-nr.: 25 16 00 37**

Kaspar Hartmann-Petersen
State Authorized Public Accountant
mne45833

Company details

Company details	Rosenby Engineering ApS Campingpladsvej 17, Østerby Havn 9940 Læsø
	CVR no.: 37 46 40 82
	Founded: 15 February 2016
	Registered office: Læsø
	Financial year: 1 January - 31 December
Executive Board	Martin Dyrmann Winkel Jesper Rosenfeldt Hansen
Board of Directors	Steffen Conradsen Jesper Rosenfeldt Hansen Steen Ulf Jensen

Management's Review

Primary activities of the Company

The company's activity is to develop technical safety solutions to the maritime industry.

The maritime industry has for many years experienced a lack of safety technologies and innovations. This company has it as its top priority to make it safer at sea for both the crew, ship and cargo.

The mindset of the company is to find solutions to problems which have never been solved properly before. This company has it as its main objective to develop innovations that will automate current safety process, enable safety measures which have never been possible before and to make it safer in general for seafarers on the global cargo ship fleet.

Development in activities and financial affairs

The company's financial performance is considered satisfying.

The company's activities and general financial performance is expected to continue to grow in the coming financial year.

The company is positive that the financial performance of the coming year will surpass the financial performance of this year.

Significant events occurred after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income Statement 1 January - 31 December

DKK	Notes	2019	2018
Gross profit		1.183.993	5.299
Staff costs	1	-637.218	-474.768
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-20.360	-19.782
Operating profit		526.415	-489.251
Financial expenses	3	-59.345	-55.699
Profit before tax		467.070	-544.950
Tax expense	4	-102.000	147.297
Profit for the year		365.070	-397.653
Proposed distribution of results			
Retained earnings		365.070	-467.653
Proposed dividend recognised in equity		0	0
Extraordinary dividend recognised in equity		0	70.000
Total distribution		365.070	-397.653

Balance Sheet at 31 December

Assets

	Notes	2019	2018
Fixtures, fittings, tools and equipment	5	64.611	74.427
Property, plant and equipment		64.611	74.427
Fixed assets		64.611	74.427
Inventories	6	535.296	46.910
Other receivables		26.048	174.652
Deferred tax assets	7	41.000	143.000
Receivables		67.048	317.652
Cash and cash equivalents		2.863.248	1.241.031
Current assets		3.465.592	1.605.593
Assets		3.530.203	1.680.020

Balance Sheet at 31 December

Equity and liabilities

	Notes	2019	2018
Share capital		71.383	55.555
Retained earnings		2.150.607	-811.135
Proposed dividend recognised in equity		0	0
Equity		2.221.990	-755.580
Convertible, profit yielding or dividend yielding long-term debt instruments		0	1.500.000
Payables to group enterprises		15.000	30.000
Other long-term payables		710.026	611.073
Long-term liabilities other than provisions	8	725.026	2.141.073
Short-term part of long-term liabilities other than provisions	8	146.604	0
Trade payables		71.452	151.352
Other payables		365.131	143.175
Short-term liabilities other than provisions		583.187	294.527
Liabilities other than provisions		1.308.213	2.435.600
Equity and liabilities		3.530.203	1.680.020
Contingent liabilities	9		
Special items	10		

Statement of changes in equity 1. January - 31. December

	2019	2018
Share capital		
Beginning balance	55.555	55.555
Increase of capital	15.828	0
End balance	<u>71.383</u>	<u>55.555</u>
Retained earnings		
Beginning balance	-811.135	-343.482
Profit (loss)	365.070	-467.653
Transferred from share premium	2.596.672	0
End balance	<u>2.150.607</u>	<u>-811.135</u>
Proposed dividend recognized in equity		
Beginning balance	0	0
Extraordinary dividend paid	0	-70.000
Dividend paid	0	0
Profit (loss)	0	70.000
End balance	<u>0</u>	<u>0</u>
Equity	<u>2.221.990</u>	<u>-755.580</u>

Notes

	2019	2018
1 Staff costs		
Wages and salaries	623.889	461.802
Post-employment benefit expense	4.355	6.532
Social security contributions	8.974	6.434
	637.218	474.768
Average number of full time employees	2	2
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Depreciation, fixtures, fittings, tools and equipment	20.360	19.782
	20.360	19.782
3 Financial expenses		
Other financial expenses	59.345	55.699
	59.345	55.699
4 Tax expense		
Tax expense on ordinary activities	0	-34.349
Adjustment of deferred tax	102.000	-112.948
	102.000	-147.297

Notes

	2019	2018
5 Fixtures, fittings, tools and equipment		
Cost at 1 January	97.409	15.998
Additions	10.544	81.411
Cost at 31 December	107.953	97.409
Depreciations at 1 January	22.982	3.200
Depreciation for the year	20.360	19.782
Depreciations at 31 December	43.342	22.982
Carrying amount at 31 December	64.611	74.427
6 Inventories		
Raw materials and consumables	209.649	46.910
Prepayments for goods	325.647	0
	535.296	46.910

Notes

	2019	2018
7 Deferred tax assets		
Deferred tax at 1 January	-143.000	-30.135
Revaluation of deferred tax this year	102.000	-112.865
	-41.000	-143.000

8 Long-term liabilities other than provisions

	Total debt 31 December 2019	Repayment next year	Long-term part	Unpaid debt after 5 years
Payables to group enterprises	30.000	15.000	15.000	0
Other long-term payables	841.630	131.604	710.026	
	871.630	146.604	725.026	0

9 Contingent liabilities

The company was a subsidiary in joint taxation with Jesper Rosenfeldt Hansen af 1989 ApS. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

10 Special items

In 2019, the company has received development support of a total of t.DKK 338. The amount is recognized in the gross profit for the year.

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

Changes in accounting policies

Earlier development costs was measured at cost less accumulated depreciation and impairment losses. Due to challenges in estimating the life of the asset and the fair value of the asset, it is considered that it is more fair to expose development costs.

The comparative figures are changed due to the change in accounting policies.

Material errors

Management has identified a material error regarding tax and receivables tax of t.DKK. 36. The effect on balance and equity is t.DKK 36.

The accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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.

Accounting policies

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items "Revenue" to and including "Other external expenses" are consolidated into one item designated "Gross profit".

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Accounting policies

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Balance sheet

Intangible assets

Patents and licenses are measured at cost less accumulated depreciation and impairment losses. Patents are amortized over the remaining patent period, and licenses are amortized over the contract period, not exceeding 5 years.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or other operating expenses.

Impairment of intangible assets

The carrying amount of intangible assets is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by amortisations. If this is the case a impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Accounting policies

Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Fixtures, fittings, tools and equipment	3-5 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Accounting policies

The cost of finished goods and work in progress comprises the cost of raw materials, direct labor and direct production costs.

The net realisable value of inventories is determined taking into account marketability, obsolescence and development in expected sales price less completion costs and costs incurred

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances

Cash comprises cash balances and bank balances.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Accounting policies

Liabilities

Borrowings are recognized at the time the loans are obtained and are initially measured at the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortized cost, applying the 'effective interest rate method', to the effect that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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Steen Ulf Jensen

Bestyrelsesmedlem

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Direktør

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Jesper Rosenfeldt Hansen

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Kaspar Hartmann-Petersen

Revisor

På vegne af: Piaster Revisorerne, Statsautoriseret revisionsaktieselskab

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