

Nordetect IVS

Slotsbryggen 14A
4800 Nykøbing Falster
CVR nr. 37 99 64 32

External annual report for 2016/17
(1st fiscal year)

The annual report have been presented and approved at
the company's annual general meeting / 2018

Conductor

Company information

Nordetect IVS
Slotsbryggen 14A
4800 Nykøbing Falster

CVR-nr.: 37996432
Hjemsted: Guldborgsund
Stiftet: 9. september 2016
Regnskabsår: 2016/17

Direktion

Jens Christian Høybye Olsen
Keenan Pinto

Revision

ReviPoint Statsautoriserede Revisorer A/S
Ragnagade 7, 2100 København Ø
CVR-nr. 31 61 15 20

MMR
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Statement by Management on the annual report

The board of directors have today presented the annual report of Nordetect IVS for the financial year 9 september 2016 - 31 December 2017.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets, liabilities and its financial position and of the company's results of its activities.

The annual report is recommended for approval by the general meeting.

Nykøbing Falster, May 25th 2018

Board of directors:

Jens Christian Høybye Olsen

Keenan Pinto

We consider the preconditions for not auditing the financial statements for the financial year 9 September 2016 - 31 December 2017 as complied with.

The independent auditor's compilation report

To the Management of Nordetect IVS

We have compiled the financial statements of Nordetect IVS for the financial year 9. september 2016 - 31. december 2017 based on the entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, notes and accounting

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

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

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

Copenhagen, May 25th 2018

ReviPoint Statsautoriserede Revisor A/S
CVR-nr. 31 61 15 20

Morten Willemar Kristensen
State Authorised Public Accountant
MNE34348

Management commentary

Principal activities

The company's purpose is to develop technology and instruments for life science, as well as trade and related business, according to the management's discretion.

Development in activities and financial affairs

This is the first annual report that mainly reflects that this has been a startup year where the focus and cash burn as planned have been on developing technology and instruments, but to the management's satisfaction the company has also already succeeded in starting up sales. The P/L for this year contains R&D cost of DK t.kr. 521.

The management has from end 2017 started up a new funding round to ensure the venture of the company and the management strategy. This has already in Q1 2018 resulted in concrete negotiations that are expected to result in closing Q2.

Together with further capital and progress in product development the management expects that operations will increase significantly in 2018.

For further remarks on going concern see note number 1.

Events subsequent to the end of the financial year

Besides the above mentioned, no events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The financial statement of Nordetect IVS for 9 september 2016 - 31 December 2017 has been prepared in accordance with the provisions applying to class B companies with the adoption of individual rules for class C.

It is the company's first financial year, why the income statement, balance sheet and notes don't contain comparative numbers.

The Company's financial statements are presented in DKK.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to loose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Accounting policies

Income statement

General

With reference to section 32 of the Danish Financial Statements Act, certain income and expenses are summarized in the gross profit margin.

Gross profit

Gross profit or loss comprises revenue, variable cost and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Variable cost

Variable costs comprise the consumption of raw materials and consumables with reduction of discount as well as cost for subcontractors.

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.

Staff costs

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

Financial cost

Financial costs comprises of interest cost and exchange losses.

Tax on 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.

Accounting policies

Balance sheet

Receivables

Receivable VAT and tax, are measured at amortized cost, which normally corresponds to the nominal value.

Cash

Cash comprises cash in hand and bank deposits. Cash are measured at fair value.

Equity

The company's equity is an expression of net assets. Equity is the assets, deducted provisions and liabilities.

Own equity interests

Purchase and sales figures for own shares are recognized directly in equity.

Capital reduction by cancellation of treasury shares reduces the company's capital by an amount equal to the nominal value of the shares and increases transferred earnings. Dividends from treasury shares are recognized directly in equity under retained earnings.

Corporate tax

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, adjusted for tax on prior years' taxable income and tax paid on account.

Liabilities

Other liabilities, which includes other payables, are measured at amortized cost, which usually corresponds to the nominal value.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. If the currency position is seen as a safeguarding of the future cash flow, then its regulation of value happens directly through the equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the exchange rate on the transaction date.

Income statement for 2016/17

	Note	2016/17
Gross loss		-200.625
Staff costs	2	<u>-332.328</u>
Result before financial costs		-532.953
Financial costs		<u>-2.896</u>
Result before tax		-535.849
Tax of the result for the year	3	<u>117.722</u>
Result for the year		<u>-418.127</u>
Proposed disposal of the results:		
Disposed to results brought forward		<u>-418.127</u>
		<u>-418.127</u>

Balance sheet at 31.12.2017

Assets	Note	31/12-17
Other short-term receivables		16.966
Receivable tax		<u>117.722</u>
Receivables		<u>134.688</u>
 Cash		 <u>260.068</u>
 Current assets		 <u>394.756</u>
 Assets		 <u><u>394.756</u></u>

Balance pr. 31. december 2017

PASSIVER		Note	31/12-17
Share capital			1.000
Retained earnings			<u>-418.227</u>
Equity	4		<u>-417.227</u>
Convertible debt instruments	5		<u>629.192</u>
Non-current liabilities other than provisions			<u>629.192</u>
10 Other payables			<u>182.791</u>
Current liabilities other than provisions			<u>182.791</u>
Liabilities other than provisions			<u>811.983</u>
Equity and liabilities			<u><u>394.756</u></u>
Going concern	1		

Notes

1 Going concern

This the first annual report that mainly reflect that this is a startup year where the focus have been on developing. The P/L for this year contains R&D cost of DK t.kr. 521. The company have started up a founding round in 2017 to ensure the venture of the company and the management strategy. This have already in Q1 2018 resulted in concrete negotiation that expect to result in closing Q2. Together with further capital and progress in product development the management expect that operation and liquidity will increase significant in 2018. On this basis the annual report have been prepared in order with the principals of going concern.

2 Staff cost	2016/17
Wages and salaries	134.621
Other social security costs	<u>56.696</u>
	<u>191.317</u>
 Average number of employees	 <u><u>1</u></u>

3 Tax on loss from ordinary activities

Tax on current year taxable income	<u>-117.722</u>
	<u>-117.722</u>

Notes

4 Equity	9/9-16	Own shares	Proposed disposal of the result	31/12-17
Share capital	1.000	-	-	1.000
Retained earnings	-	-100	-418.127	-418.227
	1.000	-100	-418.127	-417.227

	<u>2017 pcs.</u>	<u>Nominal value 2017 dkk</u>	<u>Share of capital 2017 as %</u>
Own shares 09.09 2016	-	-	-
Purchases	10	100	10%
Annulment	-	-	-
Sales	-	-	-
Own shares 31.12 2017	10	100	10%

During the fiscal year, the company has acquired own shares in order to later distribute employee shares.

5 Convertible debt instruments	2016/17
Convertible debt instruments	629.192
	629.192

The debt can be converted into equity. The debt can be converted to an exchange rate of 60.995,45 or 60.225,96 dependent on events until conversion. The debt can be converted until it is paid back in full.