

Annual report 2018

Company reg. no. 38 13 90 29

MiWire ApS

Nordre Strandvej 119 C, 2.

DK - 3150 Hellebæk

The annual report was submitted and approved by the general meeting on the 26 June 2019.

David Fleischer
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The board of directors and the executive board have today presented the annual report of MiWire ApS for the financial year 1 January to 31 December 2018.

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 and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Hellebæk, 26 June 2019

Executive board

David Fleischer

Anders Ulrik Jensen

Board of directors

Lars Priemé

Michael Lützenkirchen

Troels Karlog

David Fleischer

Independent auditor's report

To the shareholders of MiWire ApS

Opinion

We have audited the annual accounts of MiWire ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 auditor's report to the related disclosures in the annual accounts 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 auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 26 June 2019

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

H. Munkebo Christiansen
State Authorised Public Accountant
mne3644

Company data

The company

MiWire ApS
Nordre Strandvej 119 C, 2.
DK - 3150 Hellebæk

Company reg. no. 38 13 90 29
Established: 26 October 2016
Domicile:
Financial year: 1 January 2018 - 31 December 2018
2nd financial year

Board of directors

Lars Priemé
Michael Lützenkirchen
Troels Karlog
David Fleischer

Executive board

David Fleischer
Anders Ulrik Jensen

Auditors

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
DK - 2600 Glostrup

Bankers

Jyske Bank, I.L. Tvedesvej 7, DK - 3000 Helsingør

Financial highlights

DKK in thousands.

	<u>2018</u>	<u>2017</u>
Profit and loss account:		
Gross profit	-1.878	1.199
Results from operating activities	-2.950	631
Net financials	-342	-70
Results for the year	-2.561	437
Balance sheet:		
Balance sheet sum	9.807	6.965
Equity	2.643	2.204
Employees:		
Average number of full time employees	3	4

Management's review

The principal activities of the company

As in previous years, the main activity has been to develop and commercialize a fully automated directional antenna, which in a mobile network can increase the effective data rate, and all business, which in the opinion of the Board of Directors, is related to this.

Uncertainties as to recognition or measurement

Management has chosen to recognize externally paid project costs as well as internally held wage costs as development projects in progress and acquired rights in the balance sheet. The total value is respectively 6.908 t. DKK. and 45 t. DKK per. 31. December. The value is based on management's expectations of the products' market potential and is thus associated with uncertainty, as the value depends on the company achieving sufficient success with the commercialization.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -2.561.000 against DKK 437.000 last year. The management consider the results satisfactory.

Events subsequent to the financial year

After the end of the financial year, no events have occurred that will significantly upset the company's financial position.

Accounting policies used

The annual report for MiWire ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (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 lose 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.

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

THE PROFIT AND LOSS ACCOUNT

Gross loss

The gross loss comprises the net turnover, cost of sales and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for sales, administration and premises.

Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

THE BALANCE SHEET

Intangible fixed assets

Development projects and patents

Patents are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunity in the company can be demonstrated and where it is intended to manufacture, market or use the project, is recognized as intangible assets, if the cost price can be calculated reliably and there is sufficient assurance that future earnings can cover production-, sales- and administration costs. Other development costs are recognized in the income statement as costs are incurred

Development costs recognized in the balance sheet are measured at cost with deductions of accumulated depreciation and writedowns.

After the completion of the development work, capitalized development costs are amortized on a straight-line basis over the estimated useful life. The amortization period is usually 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Accounting policies used

Inventories

Inventories are measured at cost on the basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Accounting policies used

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account

All amounts in DKK.

<u>Note</u>	<u>1/1 2018 - 31/12 2018</u>	<u>26/10 2016 - 31/12 2017</u>
Gross loss	-1.878.093	1.198.561
3 Staff costs	-1.066.831	-567.906
Amortisation and writedown relating to intangible fixed assets	-5.000	0
Operating profit	-2.949.924	630.655
Other financial costs	-341.571	-70.016
Results before tax	-3.291.495	560.639
4 Tax on ordinary results	730.620	-123.358
Results for the year	-2.560.875	437.281
Proposed distribution of the results:		
Allocated to results brought forward	0	437.281
Allocated from results brought forward	-2.560.875	0
Distribution in total	-2.560.875	437.281

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
5	Development projects	6.908.480	4.390.515
6	Acquired patents	<u>45.000</u>	<u>50.000</u>
	Intangible fixed assets in total	<u>6.953.480</u>	<u>4.440.515</u>
	Fixed assets in total	<u>6.953.480</u>	<u>4.440.515</u>
Current assets			
	Raw materials and consumables	1.010.383	65.541
	Prepayments for goods	<u>150.000</u>	<u>0</u>
	Inventories in total	<u>1.160.383</u>	<u>65.541</u>
	Trade debtors	7.494	0
7	Receivable corporate tax	553.953	844.127
	Other debtors	<u>354.639</u>	<u>338.486</u>
	Debtors in total	<u>916.086</u>	<u>1.182.613</u>
	Available funds	<u>776.960</u>	<u>1.276.269</u>
	Current assets in total	<u>2.853.429</u>	<u>2.524.423</u>
	Assets in total	<u>9.806.909</u>	<u>6.964.938</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
8	Contributed capital	190.479	171.429
10	Reserve for development expenditure	5.388.615	3.424.602
11	Results brought forward	-2.936.021	-1.392.083
	Equity in total	<u>2.643.073</u>	<u>2.203.948</u>
Provisions			
12	Provisions for deferred tax	790.818	967.485
	Provisions in total	<u>790.818</u>	<u>967.485</u>
Liabilities			
13	Other debts	5.405.867	3.066.964
	Long-term liabilities in total	<u>5.405.867</u>	<u>3.066.964</u>
	Trade creditors	726.919	587.768
	Other debts	240.232	138.773
	Short-term liabilities in total	<u>967.151</u>	<u>726.541</u>
	Liabilities in total	<u>6.373.018</u>	<u>3.793.505</u>
	Equity and liabilities in total	<u>9.806.909</u>	<u>6.964.938</u>

1 Uncertainties concerning recognition and measurement

2 Unusual matters in the annual report

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

When calculating the carrying amount of certain of the company's assets, an estimate is required of how future events affect the value. Estimates that are essential for the accounting of put gels one are made, for example. in the calculation of depreciation and impairment of fixed assets.

The estimates used are based on assumptions that management considers reasonable, but which are inherently uncertain and unpredictable. The prerequisites may be incomplete or inaccurate, and unexpected events or circumstances may arise.

2. Unusual matters in the annual report

There are pr. definition risk associated with the recognition of development projects in progress and associated acquired rights (patents). The value of the assets depends on, 1) that the company achieves sufficient success with the development of the technology and subsequently the commercialization of the developed technologies, and 2) that the company can obtain it to get you out the development and commercialization required liquidity. Reference is made to the management's review.

Management has chosen to recognize externally paid project costs as well as internally paid salaries on costs such as development projects in progress, and each wheat rights (patents) in the balance sheet. The total value amounts to 6.908 t.DKK, respectively. and 50 t.DKK per. 31 December 2018. The value is based on management's expectations of the project's market potential and is thus associated with uncertainty, as the value is dependent on the company achieving success with commercialization.

	<u>1/1 2018</u> <u>- 31/12 2018</u>	<u>26/10 2016</u> <u>- 31/12 2017</u>
3. Staff costs		
Salaries and wages	927.108	445.124
Pension costs	10.000	29.000
Other costs for social security	9.485	8.225
Other staff costs	120.238	85.557
	<u>1.066.831</u>	<u>567.906</u>
Average number of employees	<u>3</u>	<u>4</u>

Staff costs, 313.750 DKK is capitalized under the item development projects.

Notes

All amounts in DKK.

	<u>1/1 2018</u> <u>- 31/12 2018</u>	<u>26/10 2016</u> <u>- 31/12 2017</u>
4. Tax on ordinary results		
Tax of the results for the year, parent company	-553.953	-844.127
Adjustment for the year of deferred tax	-176.667	967.485
	<u>-730.620</u>	<u>123.358</u>
	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Development projects		
Cost 1 January 2018	4.390.515	0
Additions during the year	2.517.965	4.390.515
Cost 31 December 2018	<u>6.908.480</u>	<u>4.390.515</u>
Book value 31 December 2018	<u>6.908.480</u>	<u>4.390.515</u>
6. Acquired patents		
Cost 1 January 2018	50.000	0
Additions during the year	0	50.000
Cost 31 December 2018	<u>50.000</u>	<u>50.000</u>
Amortisation and writedown 1 January 2018	0	0
Amortisation for the year	-5.000	0
Amortisation and writedown 31 December 2018	<u>-5.000</u>	<u>0</u>
Book value 31 December 2018	<u>45.000</u>	<u>50.000</u>
7. Receivable corporate tax		
Income tax receivable 1 January 2018	844.127	0
Paid corporation tax for last year	-844.127	0
Income tax receivable regarding previous years	0	0
Calculated corporation tax for the current year	553.953	844.127
	<u>553.953</u>	<u>844.127</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
8. Contributed capital		
Contributed capital 1 January 2018	171.129	100.000
Cash capital increase	19.350	71.429
	<u>190.479</u>	<u>171.429</u>
9. Share premium account		
Share premium account 1 January 2018	0	0
Share premium account for the year	2.980.950	1.595.238
Transferred to results brought forward	-2.980.950	-1.595.238
	<u>0</u>	<u>0</u>
10. Reserve for development expenditure		
Reserve for development expenditure 1 January 2018	3.424.602	0
Transferred from results brought forward	1.964.013	3.424.602
	<u>5.388.615</u>	<u>3.424.602</u>
11. Results brought forward		
Results brought forward 1 January 2018	-1.392.083	0
Profit or loss for the year brought forward	-2.560.875	437.281
Transferred from share premium account	2.980.950	1.595.238
Transferred to reserve for development expenditure	-1.964.013	-3.424.602
	<u>-2.936.021</u>	<u>-1.392.083</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>		
12. Provisions for deferred tax				
Provisions for deferred tax 1 January 2018	967.485	0		
Deferred tax of the results for the year	-176.667	967.485		
	<u>790.818</u>	<u>967.485</u>		
The following items are subject to deferred tax:				
Intangible fixed assets	1.521.909	967.485		
Losses brought forward from previous years	-731.091	0		
	<u>790.818</u>	<u>967.485</u>		
13. Liabilities				
	Instalments	Outstanding	Debt in total	Debt in total
	first year	debt after	31 Dec 2018	31 Dec 2017
	0	5 years		
Other debts	<u>0</u>	<u>5.405.867</u>	<u>5.405.867</u>	<u>3.066.963</u>
	<u>0</u>	<u>5.405.867</u>	<u>5.405.867</u>	<u>3.066.963</u>