



Vesco Systems ApS

Havnepladsen 3, 3.
5700 Svendborg
CVR No. 39560364

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.02.2022

Mia Rasmussen
Conductor

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Entity details

Entity

Vesco Systems ApS
Havnepladsen 3, 3.
5700 Svendborg

Business Registration No.: 39560364
Registered office: Svendborg
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Erik Merkes Nielsen, Chairman of the Board
Søren Westerskov
Marius Schröder

Executive Board

Hanne Hinrichsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Vesco Systems ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Svendborg, 04.02.2022

Executive Board

Hanne Hinrichsen
CEO

Board of Directors

Erik Merkes Nielsen
Chairman of the Board

Søren Westerskov

Marius Schröder

Independent auditor's report

To the shareholders of Vesco Systems ApS

Opinion

We have audited the financial statements of Vesco Systems ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 financial statements 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent 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 internal control that we identify during our audit.

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.

In connection with our audit 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 audit 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.

København, 04.02.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Erik Lynge Skovgaard Jensen

State Authorised Public Accountant
Identification No (MNE) mne10089

Michael Kurup Andersen

State Authorised Public Accountant
Identification No (MNE) mne35629

Management commentary

Primary activities

The purpose of the company is to design, develop, run and sell locally managed drones with the possibility of managing port pilotage of ships from a distance.

Description of material changes in activities and finances

The income statement of the Company for 2021 shows a loss of kDKK 69, and at 31 December 2021 the balance sheet of the Company shows equity of kDKK (193).

The company has lost its share capital. The management is aware of the capital rules. The development project is expected to enter its final go-to market phase, starting in the 2. quarter of 2022, pending board approval of funding and duration. Funding is expected to be derived from shareholders or external 3rd parties

It is the management's expectation, based on announcements from the shareholders, that commitments can be obtained to continue working on the project and therefore the annual report is presented on an going concern basis.

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(45,201)	(41,233)
Financial expenses from group enterprises		(43,375)	(37,450)
Other financial expenses		(372)	(276)
Profit/loss before tax		(88,948)	(78,959)
Tax on profit/loss for the year	2	19,568	17,370
Profit/loss for the year		(69,380)	(61,589)
Proposed distribution of profit and loss			
Retained earnings		(69,380)	(61,589)
Proposed distribution of profit and loss		(69,380)	(61,589)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Development projects in progress	4	2,515,980	2,515,980
Intangible assets	3	2,515,980	2,515,980
Fixed assets		2,515,980	2,515,980
Other receivables		979	1,500
Receivables		979	1,500
Cash		41,712	5,436
Current assets		42,691	6,936
Assets		2,558,671	2,522,916

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		1,962,464	1,962,464
Retained earnings		(2,205,693)	(2,136,313)
Equity		(193,229)	(123,849)
Deferred tax		270,371	148,834
Provisions		270,371	148,834
Other payables		1,146,981	984,903
Non-current liabilities other than provisions	5	1,146,981	984,903
Trade payables		20,000	19,500
Payables to group enterprises		1,314,548	1,493,528
Current liabilities other than provisions		1,334,548	1,513,028
Liabilities other than provisions		2,481,529	2,497,931
Equity and liabilities		2,558,671	2,522,916
Going concern	1		
Contingent liabilities	6		
Related parties with controlling interest	7		
Group relations	8		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	1,962,464	(2,136,313)	(123,849)
Profit/loss for the year	0	0	(69,380)	(69,380)
Equity end of year	50,000	1,962,464	(2,205,693)	(193,229)

Notes

1 Going concern

There has not been activity in the company in 2021 as the project was temporarily paused while a change of ownership within Vesco Systems ApS was taking place.

The development project is expected to enter its final go-to market phase, starting in the 2. quarter of 2022, pending board approval of funding and duration. Funding is expected to be derived from shareholders or external 3rd parties.

Based on the above and the fact that the company's shareholders have submitted a letter of support to the company, it is the management's assessment that the company has the necessary liquidity to continue operations, and therefore the annual report is presented on an going concern basis.

2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	(19,568)	(17,370)
	(19,568)	(17,370)

3 Intangible assets

	Development projects in progress DKK
Cost beginning of year	2,515,980
Cost end of year	2,515,980
Carrying amount end of year	2,515,980

4 Development projects

Development projects relate to the development of the company's products within pilotage using drones. The initial 2 phases of the project were finished during 2020, using the planned resources as allocated by the management. In 2021 the project was temporarily paused while a change of ownership within Vesco Systems ApS. was taking place. With the new ownership now in place, the project is ready to proceed to the last go-to market phase, pending the approval of final business case and necessary funding in march 2022. Prior to launching the project, the company has investigated the need in the market, which will be updated and confirmed in the above mentioned business case.

5 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	1,146,981	1,146,981
	1,146,981	1,146,981

The loan from the maritime fund is required to be repaid to the extent that the beneficiary makes a profit on the project or if the beneficiary does not fulfill its obligations.

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Danpilot - Lodseriet Danmark 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.

7 Related parties with controlling interest

Danpilot - Lodseriet Danmark, Havnepladsen 3 A, 3. has the voting rights and thus has a controlling influence on the company.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Danpilot - Lodseriet Danmark, Havnepladsen 3 A, 3.

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 a few provisions for reporting class C.

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

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.

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, and 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 all Danish group enterprises. 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 less deferred tax 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.

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

Receivables

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

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.

Other financial liabilities

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