

Dialight A/S

Ejby Industrivej 91B
2600 Glostrup
Denmark

CVR no. 13 89 14 43

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

30 June 2023

DocuSigned by:



Morten Haaning Christensen
Chairman of the annual general meeting

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Dialight A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 30 June 2023
Executive Board:

DocuSigned by:

83709405CDD7444
Morten Haaning
Christensen

Board of Directors:

DocuSigned by:

70DA62822E7A41C...
Arne Karschunke
Chairman

DocuSigned by:

B82B6046A682402
John Charles Simmons

DocuSigned by:

83709405CDD7444
Morten Haaning
Christensen



Independent auditor's report

To the shareholders of Dialight A/S

Opinion

We have audited the financial statements of Dialight A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report.

We are independent of the Company 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 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 that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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



Independent auditor's report

- 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 Company'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 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 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 Company to cease to continue as a going concern.
 - evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review 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's review.

Copenhagen, 30 June 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Kenn Wolff Hansen', is written over a light blue horizontal line.

Kenn Wolff Hansen
State Authorised
Public Accountant
mne30154

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Management's review

Company details

Dialight A/S
Ejby Industrivej 91B
2600 Glostrup
Denmark

CVR no.:	13 89 14 43
Established:	1 January 1990
Registered office:	Glostrup
Financial year:	1 January – 31 December

Board of Directors

Arne Karschunke, Chairman
John Charles Simmons
Morten Haaning Christensen

Executive Board

Morten Haaning Christensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
CVR no. 25 57 81 98

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Management's review

Operating review

Principal activities

The principal activities of the Company consist of development, production and trading activity mainly within aircraft warning signal lightning and maritime navigation equipment for windmills and any related business in connection with this according to the board of Director's assesment.

The Company has not had any operating activities in 2022.

Development in activities and financial position

The Company's income statement for 2022 shows a loss of DKK -33 thousand as against DKK -107 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 4 thousand as against DKK 37 thousand at 31 December 2021.

Going Concern

The Company has lost more than 50% of its share capital. Management expect that the Company will be liquidated when it has settled its liabilities.

In order to ensure the Company's continued operations, the Company has received a letter of support from the shareholder SABIK Offshore GmbH. The letter of support is limited to DKK 300 thousand.

In Management's opinion the amount is sufficient to settle the Company's normal expected obligations as they fall due at least until the date of the general meeting, where the annual report for 2023 is approved.

Events after the balance sheet date

No significant events have ocured as the Company has had no significant activities.

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	2021
Gross loss		-161	-177
Staff costs	2	-4	-35
Loss before financial income and expenses		-165	-212
Financial income		0	2
Financial expenses		-3	-10
Loss before tax		-168	-220
Tax on loss for the year	3	135	113
Loss for the year		-33	-107
Proposed distribution of loss			
Retained earnings		-33	-107
		-33	-107

Dialight A/S
 Annual report 2022
 CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	<u>31/12 2022</u>	<u>31/12 2021</u>
ASSETS			
Current assets			
Receivables			
Trade receivables		0	27
Other receivables		20	4
Deferred tax asset		402	402
Corporation tax		<u>12</u>	<u>12</u>
		<u>434</u>	<u>445</u>
Cash at bank and in hand		<u>72</u>	<u>117</u>
Total current assets		<u>506</u>	<u>562</u>
TOTAL ASSETS		<u><u>506</u></u>	<u><u>562</u></u>

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500	500
Retained earnings		<u>-496</u>	<u>-463</u>
Total equity		<u>4</u>	<u>37</u>
Liabilities			
Current liabilities			
Trade payables		74	62
Payables to group entities		<u>428</u>	<u>463</u>
		<u>502</u>	<u>525</u>
Total liabilities		<u>502</u>	<u>525</u>
TOTAL EQUITY AND LIABILITIES		<u>506</u>	<u>562</u>
Contractual obligations, contingencies, etc.	4		
Related party disclosures	5		

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	500	-463	37
Transferred over the distribution of loss	0	-33	-33
Equity at 31 December 2022	500	-496	4

The Company has lost more than 50% of its share capital. Management expect that the Company will be liquidated when it has settled its liabilities.

In order to ensure the Company's continued operations, the Company has received a letter of support from the shareholder SABIK Offshore GmbH. The letter of support is limited to DKK 300 thousand.

In Management's opinion the amount is sufficient to settle the Company's normal expected obligations as they fall due at least until the date of the general meeting, where the annual report for 2023 is approved.

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Dialight A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Company is part of a Danish joint taxation, with Sabik Offshore ApS as administrative company.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Dialight A/S
Annual report 2022
CVR no. 13 89 14 43

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2022</u>	<u>2021</u>
2 Staff costs		
Other social security costs	<u>4</u>	<u>35</u>
	<u>4</u>	<u>35</u>
Average number of full-time employees	<u>0</u>	<u>4</u>
3 Tax on loss for the year		
Deferred tax for the year	<u>135</u>	<u>113</u>
	<u>135</u>	<u>113</u>

At 31 December 2022 the Company has a total deferred tax asset of DKK 2,891 thousand. Hereof Management has decided to recognize DKK 402 thousand corresponding to the part of the tax asset, that Management expect will be utilized in the Danish joint taxation.

4 Contractual obligations, contingencies, etc.

The Company is jointly and severally liable for tax on the jointly taxed incomes in the Danish subsidiaries of the Sabik Offshore Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

5 Related party disclosures

Dialight A/S' related parties comprise the following:

Control

SABIK Offshore GmbH, Wilhelm-Maybach-Str. 3, 19061 Schwerin, Germany.

SABIK Offshore GmbH holds the majority of the contributed capital in the Company.

Dialight A/S is part of the consolidated financial statements of Sedna Wind Technologies Inc. 250 Bay Street Victoria, BC, V9a 3K5 Canada, which is the smallest group, in which the Company is included as a subsidiary.