



## MicroShade A/S

Ejby Industrivej 70  
2600 Glostrup  
CVR No. 27492207

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 29.06.2023

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**Peter Schow Jensen**

Chairman of the General Meeting

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# Entity details

## Entity

MicroShade A/S

Ejby Industrivej 70

2600 Glostrup

Business Registration No.: 27492207

Registered office: Glostrup

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Thomas Broe-Andersen, Chairman

Jacob Kildegaard Larsen

Tonni Bülow-Nielsen

Reinier Gerardus Maria Savelsberg

Nicolaas Wouterus Antonius Stokman

Finn Jespersen

## Executive Board

Henrik Theisler, 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 MicroShade A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Glostrup, 29.06.2023

## Executive Board

**Henrik Theisler**  
CEO

## Board of Directors

**Thomas Broe-Andersen**  
Chairman

**Jacob Kildegaard Larsen**

**Tonni Bülow-Nielsen**

**Reinier Gerardus Maria Savelsberg**

**Nicolaas Wouterus Antonius Stokman**

**Finn Jespersen**

# Independent auditor's report

## To the shareholders of MicroShade A/S

### Opinion

We have audited the financial statements of MicroShade A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

Copenhagen, 29.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Christian Sanderhage**

State Authorised Public Accountant  
Identification No (MNE) mne23347

# Management commentary

## Primary activities

The Company's core activities are the development, manufacturing, and sale of Greentech solar shading solutions and thus related activities.

## Development in activities and finances

In 2022, we completed the construction of our new factory in Glostrup, and it became operational by year-end and we are now in the process of ramping up production. MicroShade has already received many orders. With the new factory, we expect significant growth in our business, leading to higher revenue, profitability, and a positive environmental impact. The investment in the new factory is a significant milestone in our company's history.

## MicroShade shading

In 2022, MicroShade introduced our new product to the market. It is a revolutionizing product that truly stands out as an exceptional one-of-a-kind solar shading product. It functions as a cost-optimal, CO2-reducing, and effective solar shading system while simultaneously allowing for both an uninterrupted view of the outdoors as well as the entry of natural daylight into buildings, providing an exceptional experience for users and the environment with lower total cost of ownership.

## Triple benefit - Built for the future

### Economic

MicroShade shading is a highly cost-effective solution. The need for costly cooling is reduced, the product has a long lifetime, and there are no operational costs. Since no wiring or external installation is required, buildings can be finished faster and with lower costs.

### Social

The MicroShade shading allows natural light to enter the building while still providing an efficient solar shading system, creating a comfortable and sustainable indoor environment. Building occupants can enjoy unobstructed views of the outdoors and the benefits of natural daylight, resulting in a more pleasant and productive work environment that promotes employee well-being and productivity.

### Environmental

MicroShade is a passive solution that requires no maintenance. There is no electrical installation and running energy consumption. Furthermore, the lifetime is aligned with the glazed unit app of 25-30 years, substantially longer than other shading systems and material content is substantially less than other solutions.

### Finance

The gross loss of the year is DKK 18,031 thousand against DKK 8,547 thousand last year. The loss from ordinary activities after tax is DKK 30,310 thousand against DKK 19,254 thousand last year. Management considers the performance unsatisfactory but in line with the forecast for the year.



**Events after the balance sheet date**

Subsequent to the balance sheet date, the management has identified the need for additional capital to secure the company's growth initiatives and strengthen its financial position. The company's current owners are in the process of raising the necessary capital through the issuance of additional equity.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>(18,031,012)</b>	<b>(8,547,136)</b>
Staff costs	1	(13,730,525)	(11,327,707)
Depreciation, amortisation and impairment losses	2	(652,596)	(467,435)
<b>Operating profit/loss</b>		<b>(32,414,133)</b>	<b>(20,342,278)</b>
Other financial income		19,291	23,472
Other financial expenses		(2,035,858)	(1,107,385)
<b>Profit/loss before tax</b>		<b>(34,430,700)</b>	<b>(21,426,191)</b>
Tax on profit/loss for the year	3	4,120,931	2,172,240
<b>Profit/loss for the year</b>		<b>(30,309,769)</b>	<b>(19,253,951)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(30,309,769)	(19,253,951)
<b>Proposed distribution of profit and loss</b>		<b>(30,309,769)</b>	<b>(19,253,951)</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		125,000	150,000
Acquired patents		118,417	97,144
<b>Intangible assets</b>	4	<b>243,417</b>	<b>247,144</b>
Plant and machinery		17,865,945	356,717
Other fixtures and fittings, tools and equipment		1,100,383	1,361,113
Leasehold improvements		4,862,673	3,975,268
Prepayments for property, plant and equipment		0	9,068,414
<b>Property, plant and equipment</b>	5	<b>23,829,001</b>	<b>14,761,512</b>
Other receivables		495,250	506,875
<b>Financial assets</b>		<b>495,250</b>	<b>506,875</b>
<b>Fixed assets</b>		<b>24,567,668</b>	<b>15,515,531</b>
Raw materials and consumables		2,382,208	0
Work in progress		111,750	0
Manufactured goods and goods for resale		81,577	0
<b>Inventories</b>		<b>2,575,535</b>	<b>0</b>
Trade receivables		5,044	66,742
Other receivables		1,241,287	1,181,140
Income tax receivable	6	4,130,931	2,182,240
Prepayments		352,243	40,235
<b>Receivables</b>		<b>5,729,505</b>	<b>3,470,357</b>
<b>Cash</b>		<b>34,165,717</b>	<b>9,805,795</b>
<b>Current assets</b>		<b>42,470,757</b>	<b>13,276,152</b>
<b>Assets</b>		<b>67,038,425</b>	<b>28,791,683</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital	7	3,939,493	2,419,373
Retained earnings		36,539,045	(7,544,326)
<b>Equity</b>		<b>40,478,538</b>	<b>(5,124,953)</b>
Payables to owners and management		21,493,531	21,093,399
Other payables		884,474	1,409,444
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>22,378,005</b>	<b>22,502,843</b>
Current portion of non-current liabilities other than provisions	8	733,333	0
Bank loans		23,775	111,045
Convertible and dividend-yielding debt instruments	9	0	9,054,504
Trade payables		2,182,877	1,326,979
Other payables		1,241,897	921,265
<b>Current liabilities other than provisions</b>		<b>4,181,882</b>	<b>11,413,793</b>
<b>Liabilities other than provisions</b>		<b>26,559,887</b>	<b>33,916,636</b>
<b>Equity and liabilities</b>		<b>67,038,425</b>	<b>28,791,683</b>
Unrecognised rental and lease commitments	10		
Contingent assets	11		
Contingent liabilities	12		
Assets charged and collateral	13		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	2,419,373	0	(7,544,326)	(5,124,953)
Increase of capital	1,520,120	74,393,140	0	75,913,260
Transfer to reserves	0	(74,393,140)	74,393,140	0
Profit/loss for the year	0	0	(30,309,769)	(30,309,769)
<b>Equity end of year</b>	<b>3,939,493</b>	<b>0</b>	<b>36,539,045</b>	<b>40,478,538</b>

# Notes

## 1 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	12,351,408	10,254,263
Pension costs	1,238,750	963,155
Other social security costs	140,367	110,289
	<b>13,730,525</b>	<b>11,327,707</b>
Average number of full-time employees	<b>17</b>	<b>14</b>

## 2 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	59,953	59,284
Depreciation of property, plant and equipment	592,643	408,151
	<b>652,596</b>	<b>467,435</b>

## 3 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(4,120,931)	(2,172,240)
	<b>(4,120,931)</b>	<b>(2,172,240)</b>

#### 4 Intangible assets

	Acquired intangible assets DKK	Acquired patents DKK
Cost beginning of year	175,000	1,591,254
Additions	0	56,226
Disposals	0	(1,351,254)
<b>Cost end of year</b>	<b>175,000</b>	<b>296,226</b>
Amortisation and impairment losses beginning of year	(25,000)	(1,494,110)
Amortisation for the year	(25,000)	(34,953)
Reversal regarding disposals	0	1,351,254
<b>Amortisation and impairment losses end of year</b>	<b>(50,000)</b>	<b>(177,809)</b>
<b>Carrying amount end of year</b>	<b>125,000</b>	<b>118,417</b>

#### 5 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	356,717	4,395,183	3,975,268	9,068,414
Transfers	9,068,414	0	0	(9,068,414)
Additions	8,592,105	142,971	976,194	0
Disposals	0	(398,143)	(51,138)	0
<b>Cost end of year</b>	<b>18,017,236</b>	<b>4,140,011</b>	<b>4,900,324</b>	<b>0</b>
Depreciation and impairment losses beginning of year	0	(3,034,070)	0	0
Depreciation for the year	(151,291)	(403,701)	(37,651)	0
Reversal regarding disposals	0	398,143	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(151,291)</b>	<b>(3,039,628)</b>	<b>(37,651)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>17,865,945</b>	<b>1,100,383</b>	<b>4,862,673</b>	<b>0</b>

## 6 Tax receivable

Corporate tax receivable recognized in the balance sheet relates to the application of the tax credit scheme under § 8X of the "Ligningsloven", whereby the company can obtain the tax value of tax losses resulting from costs to research and development.

Based on the examination of the criteria for the application of the scheme, management considers that the company is entitled to apply the scheme and the recognition has been based on the assessment.

However, whether the criteria for applying the scheme are met are based on a discretionary assessment. As a result, there may be a risk that the tax authorities will judge that the criteria have not been met. If so, the receivable will have to be fully or partially reversed from the profit and loss account in subsequent financial years.

## 7 Share capital

	Number	Par value DKK	Nominal value DKK	Recorded par value DKK
Shares	3,939,493	1	3,939,493	3,939,493
	<b>3,939,493</b>		<b>3,939,493</b>	<b>3,939,493</b>

## 8 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Payables to owners and management	733,333	21,493,531	0
Other payables	0	884,474	884,474
	<b>733,333</b>	<b>22,378,005</b>	<b>884,474</b>

## 9 Convertible and dividend-yielding debt instruments

Convertible debt instruments were presented as short-term liabilities, as they are converted into equity in 2022.

## 10 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	<b>3,357,838</b>	<b>4,348,338</b>

## 11 Contingent assets

A deferred tax asset of DKK 36,976 thousand has not been recognised as the time frame for use hereof is difficult to estimate.



## 12 Contingent liabilities

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Recourse and non-recourse guarantee commitments	415,000	179,880
<b>Contingent liabilities</b>	<b>415,000</b>	<b>179,880</b>

## 13 Assets charged and collateral

Bank debt and bank guarantees are secured by way of a company charge of DKK 3,000 thousand nominal provided by the Company and by way of a guarantee cover account. Bank debt and loan are secured by way of a company charge of DKK 9,000 thousand nominal provided by the Company. The company charges include the below assets with the following carrying amounts at the balance sheet date.

Intangible assets	125 DKK '000
Patents	118 DKK '000
Property, plant and equipment	23,829 DKK '000
Trade receivables	5 DKK '000
Cash	34,166 DKK '000

# 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and 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.

**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

**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. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises interest income, including interest income on tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on 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.

**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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

**Property, plant and equipment**

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment 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.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in bank deposits.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

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