

Onesail Denmark ApS

Batteriet 16, 4100 Ringsted

Company reg. no. 27 98 32 00

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 25 June 2021.

Peter Michael Sørensen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the managing director has presented the annual report of Onesail Denmark ApS for the financial year 1 January - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Ringsted, 25 June 2021

Managing Director

Peter Michael Sørensen

Independent auditor's report

To the shareholders of Onesail Denmark ApS

Opinion

We have audited the financial statements of Onesail Denmark ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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 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.

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 judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Alleroed, 25 June 2021

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Steen Dahl Andersen

State Authorised Public Accountant
mne29455

Company information

The company

Onesail Denmark ApS
Batteriet 16
4100 Ringsted

Company reg. no. 27 98 32 00
Established: 1 August 2004
Domicile: Ringsted
Financial year: 1 January - 31 December

Managing Director

Peter Michael Sørensen

Auditors

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab
Engholm Parkvej 8
3450 Allerød

Parent company

OneSail HK Limited

Management commentary

The principal activities of the company

OneSail Denmark ApS is a Danish-Chinese high-tech company, which provides intelligent overall solutions. The group's services focus on overall solutions comprising development and production of hardware and software.

The structure of the OneSail Group is a holding company in Hong Kong owning a development subsidiary in China and OneSail Denmark ApS. OneSail Denmark ApS manages concept development and project management in order to streamline communication and follow-up during project periods.

Development in activities and financial matters

The Company has received a capital contribution to ensure that the Company has a reasonable financing structure and meet the legal demands in the Danish regulation.

The company's financial performance is considered satisfying.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
1 Revenue	496.447	480.201
Costs of raw materials and consumables	-106.387	-156.255
Other external costs	-77.909	-62.190
Gross profit	312.151	261.756
2 Staff costs	-285.032	-237.579
Depreciation and impairment of property, land, and equipment	-1.609	0
Operating profit	25.510	24.177
Other financial income	6.760	217
Other financial costs	-625	-189
Pre-tax net profit or loss	31.645	24.205
3 Tax on net profit or loss for the year	0	0
Net profit or loss for the year	31.645	24.205
Proposed appropriation of net profit:		
Transferred to retained earnings	31.645	24.205
Total allocations and transfers	31.645	24.205

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
4	Other fixtures and fittings, tools and equipment	46.647	0
	Total property, plant, and equipment	46.647	0
	Total non-current assets	46.647	0
Current assets			
5	Trade receivables	119.918	0
	Other receivables	16.146	3.728
	Prepayments and accrued income	359.506	0
	Total receivables	495.570	3.728
	Cash on hand and demand deposits	79.705	149.872
	Total current assets	575.275	153.600
	Total assets	621.922	153.600

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	150.000	150.000
Retained earnings	2.455	-29.190
Total equity	<u>152.455</u>	<u>120.810</u>
Liabilities other than provisions		
Trade payables	44.193	18.202
Payables to group enterprises	363.456	0
Other payables	61.818	14.588
Total short term liabilities other than provisions	<u>469.467</u>	<u>32.790</u>
Total liabilities other than provisions	<u>469.467</u>	<u>32.790</u>
Total equity and liabilities	<u>621.922</u>	<u>153.600</u>

6 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	150.000	-53.395	96.605
Retained earnings for the year	0	24.205	24.205
Equity 1 January 2020	150.000	-29.190	120.810
Retained earnings for the year	0	31.645	31.645
	150.000	2.455	152.455

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Revenue		
Management fee, OneSail Hong Kong Ltd.	384.741	315.720
Revenue, OneSail Hong Kong Ltd.	<u>111.706</u>	<u>164.481</u>
	<u>496.447</u>	<u>480.201</u>
2. Staff costs		
Salaries and wages	231.090	221.978
Pension costs	39.015	0
Other costs for social security	8.111	8.785
Other staff costs	<u>6.816</u>	<u>6.816</u>
	<u>285.032</u>	<u>237.579</u>
Average number of employees	<u>2</u>	<u>1</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	0	0
Additions during the year	<u>48.256</u>	<u>0</u>
Cost 31 December 2020	<u>48.256</u>	<u>0</u>
Depreciation and writedown 1 January 2020	0	0
Amortisation and depreciation for the year	<u>-1.609</u>	<u>0</u>
Depreciation and writedown 31 December 2020	<u>-1.609</u>	<u>0</u>
Carrying amount, 31 December 2020	<u>46.647</u>	<u>0</u>
5. Trade receivables		
Trade receivables, OneSail Hong Kong Ltd.	<u>119.918</u>	<u>0</u>
	<u>119.918</u>	<u>0</u>

Notes

All amounts in DKK.

31/12 2020

31/12 2019

6. Related parties

OneSail Denmark ApS' related parties include:

Controlling influence

OneSail Hong Kong Ltd. - major shareholder.

Other related parties, whom the company had transactions with

NKN ApS - ultimate shareholder

Transactions with related parties

The company has been trading with other companies from the OneSail Group. All transactions were based on market terms.

Accounting policies

The annual report for Onesail Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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Peter Michael Sørensen

Direktør

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Peter Michael Sørensen

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