

Onesail Denmark ApS

Batteriet 16, 4100 Ringsted

Company reg. no. 27 98 32 00

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 4 July 2023.

Peter Michael Sørensen
Chairman of the meeting

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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 %.

Management's statement

Today, the Managing Director has approved the annual report of Onesail Denmark ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Ringsted, 4 July 2023

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 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 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 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Alleroed, 4 July 2023

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's review

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's financial performance is considered satisfying.

Income statement 1 January - 31 December

All amounts in DKK.

Note	2022	2021
1 Revenue	1.550.201	652.525
Costs of raw materials and consumables	-369.991	-139.711
Other external costs	-189.353	-106.549
Gross profit	990.857	406.265
2 Staff costs	-1.086.911	-379.575
Depreciation and impairment of property, land, and equipment	-9.651	-9.651
Operating profit	-105.705	17.039
Other financial income	20.658	9
3 Other financial expenses	-31.135	-27.682
Pre-tax net profit or loss	-116.182	-10.634
4 Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-116.182	-10.634
Proposed distribution of net profit:		
Allocated from retained earnings	-116.182	-10.634
Total allocations and transfers	-116.182	-10.634

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
5	Other fixtures, fittings, tools and equipment	27.345	36.996
	Total property, plant, and equipment	27.345	36.996
	Total non-current assets	27.345	36.996
Current assets			
6	Trade receivables	0	156.765
	Other receivables	57.908	10.371
	Prepayments and accrued income	359.506	359.506
	Total receivables	417.414	526.642
	Cash on hand and demand deposits	88.653	49.055
	Total current assets	506.067	575.697
	Total assets	533.412	612.693

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	150.000	150.000
Retained earnings	-124.361	-8.179
Total equity	<u>25.639</u>	<u>141.821</u>
Liabilities other than provisions		
Trade payables	22.869	18.345
Payables to group enterprises	418.332	393.672
Other payables	66.572	58.855
Total short term liabilities other than provisions	<u>507.773</u>	<u>470.872</u>
Total liabilities other than provisions	<u>507.773</u>	<u>470.872</u>
Total equity and liabilities	<u>533.412</u>	<u>612.693</u>

7 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	150.000	2.455	152.455
Retained earnings for the year	0	-10.634	-10.634
Equity 1 January 2022	150.000	-8.179	141.821
Retained earnings for the year	0	-116.182	-116.182
	150.000	-124.361	25.639

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Revenue		
Management fee, OneSail Hong Kong Ltd.	1.135.898	509.120
Revenue, OneSail Hong Kong Ltd.	<u>414.303</u>	<u>143.405</u>
	<u>1.550.201</u>	<u>652.525</u>
2. Staff costs		
Salaries and wages	989.751	311.114
Pension costs	72.000	52.000
Other costs for social security	<u>25.160</u>	<u>16.461</u>
	<u>1.086.911</u>	<u>379.575</u>
Average number of employees	<u>3</u>	<u>2</u>
3. Other financial expenses		
Other financial costs	<u>31.135</u>	<u>27.682</u>
	<u>31.135</u>	<u>27.682</u>
4. 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>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	<u>48.256</u>	<u>48.256</u>
Cost 31 December 2022	<u>48.256</u>	<u>48.256</u>
Depreciation and write-down 1 January 2022	-11.260	-1.609
Amortisation and depreciation for the year	<u>-9.651</u>	<u>-9.651</u>
Depreciation and write-down 31 December 2022	<u>-20.911</u>	<u>-11.260</u>
Carrying amount, 31 December 2022	<u>27.345</u>	<u>36.996</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
6. Trade receivables		
Trade receivables, OneSail Hong Kong Ltd.	<u>0</u>	<u>156.765</u>
	<u>0</u>	<u>156.765</u>

7. 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

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. Revenue is measured at the fair value of the consideration promised 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.

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, as well as surcharges and reimbursements under the advance tax scheme, etc.

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.

Accounting policies

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
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.

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.

Accounting policies

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.

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.

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

Dirigent

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Steen Dahl Andersen

Revisor

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