EUPRY ApS

Hejrevej 26, 1.
2400 København NV
Denmark

CVR no. 30 53 66 65

Annual report 2021/22

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

6 January 2023

Asbjørn de Roepstorff
Chairman of the annual general meeting

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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 EUPRY ApS for the financial year 1 July 2021 – 30 June 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 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 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.

Copenhagen, 6 January 2023
Executive Board:

Christian Elster Jacobsen

Board of Directors:

Andreas Green Rasmussen Chairman	Merete Louise Lachmann	Morten Ramskov Nielsen
Christian Elster Jacobsen	Nina Ajit Haldipur	

Independent auditor's report

To the shareholders of EUPRY ApS

Opinion

We have audited the financial statements of EUPRY ApS for the financial year 1 July 2021 – 30 June 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 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 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 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 involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

— 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, 6 January 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Management's review

Company details

EUPRY ApS
Hejrevej 26, 1.
2400 København NV
Denmark

CVR no.:	30 53 66 65
Established:	28 May 2014
Registered office:	Copenhagen
Financial year:	1 July – 30 June

Board of Directors

Andreas Green Rasmussen, Chairman
Merete Louise Lachmann
Morten Ramskov Nielsen
Christian Elster Jacobsen
Nina Ajit Haldipur

Executive Board

Christian Elster Jacobsen

Auditor

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

Management's review

Operating review

Principal activities

The Company's purpose is to conduct business with trade, production, development, and thus affiliate activities, as well as consulting.

Development in activities and financial position

The Company's income statement for 2021/22 shows a loss of DKK -5,403,254 as against DKK -459,742 in 2020/21. Equity in the Company's balance sheet at 30 June 2022 stood at DKK -4,675,191 as against DKK -271,934 at 30 June 2021.

Events after the balance sheet date

The Company raised DKK 14 million in August 2022 by capital increase and debt conversion, which will be used for continued growth and development. Furthermore, the company raised DKK 4 million in December 2022 by capital increase from strategic investors.

Besides this no events of material significance have occurred after the closing of the financial year.

Material uncertainties regarding going concern

The company as of 30 June 2022 lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. The company raised DKK 14 million in August 2022 by capital increase and debt conversion, which will be used for continued growth and development. Furthermore, the company raised DKK 4 million in December 2022 by capital increase from strategic investors. Management expects to raise further funding at the end of 2023.

Financial statements 1 July – 30 June

Income statement

DKK	Note	2021/22	2020/21
Gross profit		3,143,873	3,999,313
Staff costs	3	-7,508,937	-3,713,766
Depreciation, amortisation and impairment losses		-859,445	-630,378
Loss before financial income and expenses		-5,224,509	-344,831
Other financial income		25,290	0
Other financial expenses		-559,729	-499,524
Loss before tax		-5,758,948	-844,355
Tax on loss for the year	4	355,694	384,613
Loss for the year		-5,403,254	-459,742

Proposed distribution of loss

Reserve for development costs		854,107	1,159,762
Retained earnings		-6,257,361	-1,619,504
		-5,403,254	-459,742

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2022	30/6 2021
ASSETS			
Fixed assets			
Intangible assets			
Completed development projects		3,279,138	1,997,073
Development projects in progress		3,264,917	3,451,972
		6,544,055	5,449,045
Property, plant and equipment			
Fixtures and fittings, tools and equipment		1,551,112	759,093
Investments			
Deposits		94,669	94,669
Total fixed assets		8,189,836	6,302,807
Current assets			
Inventories			
Finished goods and goods for resale		150,983	520,100
Receivables			
Trade receivables		1,886,252	1,241,729
Other receivables		83,687	418
Corporation tax		741,348	658,128
		2,711,287	1,900,275
Cash at bank and in hand		694,181	3,305,662
Total current assets		3,556,451	5,726,037
TOTAL ASSETS		11,746,287	12,028,844

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2022	30/6 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		81,210	79,879
Share premium		5,247,452	4,248,786
Reserve for development costs		5,104,363	4,250,256
Retained earnings		-15,108,216	-8,850,855
Total equity		-4,675,191	-271,934
Liabilities			
Non-current liabilities	5		
Other credit institutions		7,972,964	5,360,227
Current liabilities			
Other credit institutions, current liabilities	5	344,042	228,773
Trade payables		2,166,755	942,832
Other payables		1,571,694	2,602,706
Deferred income		4,366,023	3,166,240
		8,448,514	6,940,551
Total liabilities		16,421,478	12,300,778
TOTAL EQUITY AND LIABILITIES		11,746,287	12,028,844

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Financial statements 1 July – 30 June

Statement of changes in equity

DKK	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity at 1 July 2021	79,879	4,248,786	4,250,256	-8,850,855	-271,934
Cash capital increase	1,331	998,666	0	0	999,997
Transferred over the distribution of loss	0	0	854,107	-6,257,361	-5,403,254
Equity at 30 June 2022	81,210	5,247,452	5,104,363	-15,108,216	-4,675,191

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of EUPRY ApS for 2021/22 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.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

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

Revenue

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

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, excluding reimbursements from public authorities.

Financial statements 1 July – 30 June

Notes

1 **Accounting policies (continued)**

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses regarding payables and transactions denominated in foreign currencies.

Tax on loss for the year

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 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.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 10 years.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-4 years

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

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.

Financial statements 1 July – 30 June

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1 Accounting policies (continued)

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.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

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. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 in the same legal tax entity. 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.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Financial statements 1 July – 30 June

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2 Material uncertainties regarding going concern

The company as of 30 June 2022 lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. The company raised DKK 14 million in August 2022 by capital increase and debt conversion, which will be used for continued growth and development. Furthermore the company raised DKK 4 million in December 2022 by capital increase from strategic investors. Management expects to raise further funding at the end of 2023.

DKK	2021/22	2020/21

3 Staff costs

Wages and salaries	7,578,356	4,996,191
Pensions	181,023	111,309
Other social security costs	169,558	75,266
Transfered to development projects	-420,000	-1,469,000
	7,508,937	3,713,766
Average number of full-time employees	19	12

4 Tax on loss for the year

Current tax for the year	-355,694	-384,613
	-355,694	-384,613

5 Non-current liabilities

Liabilities can be specified as follows:

0-1 years	344,042	0
1-5 years	6,724,092	0
>5 years	1,248,872	0
Total liabilities	8,317,006	0

Total liabilities are recognised in the balance sheet as follows:

Non-current liabilities	7,972,964	0
Current liabilities	344,042	0
	8,317,006	0

Collateral is disclosed in note 7.

6 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 6 months and an average monthly lease payments of DKK 19 thousand, totalling DKK 114 thousand.

Financial statements 1 July – 30 June

Notes

7 Mortgages and collateral

The Company has made collateral (virksomhedspant) for an amount of DKK 5,750 thousand towards Vækstfonden as of 30 June 2022.