

# Cavius ApS

Julsøvej 16, 8600 Silkeborg

Company reg. no. 32 65 92 92

## Annual report

1 May 2020 - 30 April 2021

The annual report was submitted and approved by the general meeting on the 15 September 2021.

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**Tom Deichmann**  
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 %.

## Contents

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	<b><u>Page</u></b>
<b>Reports</b>	
Management's report	1
Independent auditor's report on extended review	2
<b>Management commentary</b>	
Company information	4
Management commentary	5
<b>Financial statements 1 May 2020 - 30 April 2021</b>	
Income statement	6
Statement of financial position	7
Statement of changes in equity	9
Notes	10
Accounting policies	12

## Management's report

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Today, the board of directors and the managing director have presented the annual report of Cavius ApS for the financial year 1 May 2020 - 30 April 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 April 2021 and of the company's results of activities in the financial year 1 May 2020 – 30 April 2021.

We are 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.

Silkeborg, 25 August 2021

### Managing Director

Glenn Højmosé

### Board of directors

Rasmus Sandorff Jacobsen

Stephen Henry Ellwood

Glenn Højmosé

Tom Deichmann

Kent Posselt Pedersen

Torben Hartvigsen

## **Independent auditor's report on extended review**

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### **To the shareholders of Cavius ApS**

#### **Opinion**

We have performed an extended review of the financial statements of Cavius ApS for the financial year 1 May 2020 to 30 April 2021, 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.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 30 April 2021 and of the results of the company's activities for the financial year 1 May 2020 - 30 April 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence 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 give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the 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 extended review of the financial statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

### **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 on the management commentary.

In connection with our extended review 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 extended review, 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 the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Silkeborg, 25 August 2021

### **Revisionshuset Tal & Tanker**

Statsautoriseret revisionspartnerselskab  
Company reg. no. 37 31 56 64

**Kuno Hesel**  
State Authorised Public Accountant  
mne33224

**Lars Ole Bärthel**  
Certified Public Accountant  
mne2371

## Company information

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### **The company**

Cavius ApS  
Julsøvej 16  
8600 Silkeborg

Company reg. no. 32 65 92 92  
Financial year: 1 May - 30 April

### **Board of directors**

Rasmus Sandorff Jacobsen  
Stephen Henry Ellwood  
Glenn Højmosé  
Tom Deichmann  
Kent Posselt Pedersen  
Torben Hartvigsen

### **Managing Director**

Glenn Højmosé

### **Auditors**

Revisionshuset Tal & Tanker, Statsautoriseret revisionspartnerselskab  
Stagehøjvej 22  
8600 Silkeborg

### **Bankers**

Nordea, Sct. Mathias Gade 68, 8800 Viborg

## Management commentary

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### **The principal activities of the company**

Like previous years, the Company's activities consisted of product development, production and trade of smoke alarms.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 13.307.402 against DKK 8.831.586 last year. Income or loss from ordinary activities after tax totals DKK 4.723.793 against DKK 801.084 last year. Management considers the net profit or loss for the year satisfactory.

### **Research and development activities**

Development activities are declining throughout the financial year, partly due to Covid 19. The development activities are expected to resume post Covid 19.

### **Events occurring after the end of the financial year**

The new Australian (Queensland) standard for smoke alarms has started to increase revenue. The legal requirements and Cavius' position in the market are expected to lead to a constantly increasing turnover in the following years. During the financial year, Cavius Holding has established its own sales company in the UK, Cavius Ltd. Sales in the UK, which is started in June 2021, are expected to increase the total revenue and profit in the Cavius Group. Expectations for Scotland in particular are high. New legislation for smoke alarms in Scotland enters into force by 1. January 2022.

## Income statement 1 May - 30 April

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All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
<b>Gross profit</b>	<b>13.307.402</b>	<b>8.831.586</b>
1 Staff costs	-5.158.301	-5.318.792
Depreciation, amortisation, and impairment	<u>-1.337.588</u>	<u>-2.752.776</u>
<b>Operating profit</b>	<b>6.811.513</b>	<b>760.018</b>
Other financial income from group enterprises	29.710	12.762
Other financial income	79	315.643
2 Other financial costs	<u>-782.912</u>	<u>-55.002</u>
<b>Pre-tax net profit or loss</b>	<b>6.058.390</b>	<b>1.033.421</b>
Tax on net profit or loss for the year	<u>-1.334.597</u>	<u>-232.337</u>
<b>Net profit or loss for the year</b>	<b><u>4.723.793</u></b>	<b><u>801.084</u></b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	<u>4.723.793</u>	<u>801.084</u>
<b>Total allocations and transfers</b>	<b><u>4.723.793</u></b>	<b><u>801.084</u></b>



## Statement of financial position at 30 April

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
Completed development projects, including patents and similar rights arising from development projects	799.343	1.562.559
Development projects in progress and prepayments for intangible assets	1.788.793	1.115.504
Total intangible assets	<u>2.588.136</u>	<u>2.678.063</u>
Other fixtures and fittings, tools and equipment	783.557	996.795
Total property, plant, and equipment	<u>783.557</u>	<u>996.795</u>
<b>Total non-current assets</b>	<b><u>3.371.693</u></b>	<b><u>3.674.858</u></b>
<b>Current assets</b>		
Raw materials and consumables	1.915.549	2.187.288
Prepayments for goods	2.188.861	0
Total inventories	<u>4.104.410</u>	<u>2.187.288</u>
Trade receivables	1.740.165	2.755.506
Receivables from group enterprises	3.858.958	944.711
Income tax receivables	0	592.000
Other receivables	510.683	211.007
Prepayments and accrued income	100.221	131.323
Total receivables	<u>6.210.027</u>	<u>4.634.547</u>
Cash on hand and demand deposits	5.767.492	1.232.046
<b>Total current assets</b>	<b><u>16.081.929</u></b>	<b><u>8.053.881</u></b>
<b>Total assets</b>	<b><u>19.453.622</u></b>	<b><u>11.728.739</u></b>

## Statement of financial position at 30 April

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	149.296	149.296
Reserve for development costs	2.018.746	2.678.061
Retained earnings	11.495.848	6.112.740
<b>Total equity</b>	<b><u>13.663.890</u></b>	<b><u>8.940.097</u></b>
<b>Provisions</b>		
Provisions for deferred tax	527.383	573.000
<b>Total provisions</b>	<b><u>527.383</u></b>	<b><u>573.000</u></b>
<b>Liabilities other than provisions</b>		
Income tax payable	1.348.214	564.337
Other payables	0	257.721
Total long term liabilities other than provisions	1.348.214	822.058
Bank loans	42.303	0
Trade payables	2.409.334	912.888
Other payables	1.462.498	480.696
Total short term liabilities other than provisions	3.914.135	1.393.584
<b>Total liabilities other than provisions</b>	<b><u>5.262.349</u></b>	<b><u>2.215.642</u></b>
<b>Total equity and liabilities</b>	<b><u>19.453.622</u></b>	<b><u>11.728.739</u></b>

**3 Charges and security**

**4 Contingencies**

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 May 2019	149.296	3.669.480	4.320.237	8.139.013
Retained earnings for the year	0	0	801.084	801.084
Transfer to reserves	0	-991.419	0	-991.419
Transfer from reserves for development cost	0	0	991.419	991.419
Equity 1 May 2020	149.296	2.678.061	6.112.740	8.940.097
Retained earnings for the year	0	0	4.723.793	4.723.793
Transfer to reserves	0	-659.315	0	-659.315
Transfer from reserves for development cost	0	0	659.315	659.315
	<b>149.296</b>	<b>2.018.746</b>	<b>11.495.848</b>	<b>13.663.890</b>

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## Notes

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All amounts in DKK.

	<u>2020/21</u>	<u>2019/20</u>
<b>1. Staff costs</b>		
Salaries and wages	4.777.722	4.896.295
Pension costs	342.536	376.743
Other costs for social security	18.177	20.165
Other staff costs	19.866	25.589
	<u>5.158.301</u>	<u>5.318.792</u>
Average number of employees	<u>5</u>	<u>6</u>
<b>2. Other financial costs</b>		
Other financial costs	<u>782.912</u>	<u>55.002</u>
	<u>782.912</u>	<u>55.002</u>

### 3. Charges and security

For bank loans, DKK 0, the company has provided security in company assets representing a nominal value of DKK 4.000 in thousands. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	4.104
Trade receivables	1.740
Other fixtures and fittings	784
Total intangible assets	2.588

### 4. Contingencies

#### Contingent liabilities

##### Rental liabilities

The company has entered into a rental contract with an annual rent of DKK 204 thousands. The contact can be terminated with 6 months' notice.

#### Joint taxation

With Cavius Holding ApS, company reg. no 37157872 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

## Notes

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All amounts in DKK.

### 4. Contingencies (continued)

#### Joint taxation (continued)

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

## Accounting policies

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The annual report for Cavius 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.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Income statement

#### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

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

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

## Accounting policies

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### 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 comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

### 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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Intangible assets

#### Development projects, patents, and licences

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 3 years.

## Accounting policies

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Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

### 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.

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	5 years	0 %

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.

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. To counter expected losses, writedown is performed to net realisable value. The enterprise will be applying IAS 39 as the basis of interpretation for the recognition of impairment of financial assets, meaning that a loss must be recognised if there are objective indications of accounts receivable being unable to comply with payment obligations.



## Accounting policies

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### **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.

### **Equity**

#### **Reserve for development costs**

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

#### **Income tax and deferred tax**

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Cavius ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

#### **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.

## Glenn Højmosse

Som Direktør NEM ID  
PID: 9208-2002-2-063042751005  
Tidspunkt for underskrift: 20-09-2021 kl.: 09:06:09  
Underskrevet med NemID

## Glenn Højmosse

Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-063042751005  
Tidspunkt for underskrift: 20-09-2021 kl.: 09:06:09  
Underskrevet med NemID

## Kent Posselt Pedersen

Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-836535990901  
Tidspunkt for underskrift: 20-09-2021 kl.: 10:31:05  
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## Rasmus Sandorff Jacobsen

Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-755111942557  
Tidspunkt for underskrift: 20-09-2021 kl.: 11:11:52  
Underskrevet med NemID

## Tom Deichmann

Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-362836526670  
Tidspunkt for underskrift: 20-09-2021 kl.: 09:28:33  
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## Tom Deichmann

Som Dirigent NEM ID  
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Tidspunkt for underskrift: 20-09-2021 kl.: 09:28:33  
Underskrevet med NemID

## Torben Hartvigsen

Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-343587007239  
Tidspunkt for underskrift: 20-09-2021 kl.: 09:13:33  
Underskrevet med NemID

## Kuno Hesel

Som Statsautoriseret revisor NEM ID  
På vegne af Revisionshuset Tal & Tanker  
RID: 23656268  
Tidspunkt for underskrift: 20-09-2021 kl.: 11:14:39  
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This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Lars Ole Bärthel

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Som Registreret revisor  
På vegne af Revisionshuset Tal & Tanker  
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