Apator Miitors ApS
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8210 Aarhus V

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Apator Miitors ApS

Annual report for the period 1 January – 31 December 2020

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

on 18/5 2021

chairman CLAUS BERNER NIELSEN

CVR no. 32 76 32 86

Contents

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 Apator Miitors ApS for the financial year 1 January — 31 December 2020.

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 31 December 2020 and of the results of the Company's activities for the financial year 1 January 31 December 2020.

Further, in our opinion. the Managcment's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should bc approved at the annual general meeting.

Aarhus, 18. May 2021 Executive

Board:

Thue Bjerring Lindballe

Board of Directors:

Damian Bruderek
Chairman

Martin Bakstad

Łukasz Zaworski

Independent Auditor's Report

To the Shareholders of Apator Miitors ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Apator Miitors ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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' Code of Ethics for Professional Accountants (IESBA Code) 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.

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.

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, in our view, 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 in Management's Review.

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.

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.

Aarhus, 18. May 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
Mne15151

Management's review

Company details

Apator Miitors ApS
Bautavej 1 A
DK-8210 Aarhus V

Telephone:	+45 22 43 15 79
Website:	www.miitors.com
E-mail:	info@miitors.com
CVR no.:	32 76 32 86
Established:	27 January 2010
Registered office:	Aarhus
Financial year:	1 January – 31 December

Board of Directors

Damian Bruderek, Chairman
Martin Bakstad
Lukasz Zaworski

Executive Board

Thue Bjerring Lindballe

Auditor

PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's review

Operating review

Principal activities

The principal activities of the Company are to develop and sell various meters and remote meter reading systems as well as to engage in any related business.

Development in activities and financial position

The results of the Company's operations during the year under review and its financial position at the end of the financial year are shown in the income statement and balance sheet.

Results and financial position at 31 December 2020 are in line with expectations.

Major events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment and evaluation of this annual report in any substantial way.

In 2021, Denmark and the rest of the world have been affected by COVID-19. This has not affected the Company in any significant way.

Financial statements 1 January – 31 December 2020

Income statement

	Note	2020	2019
Gross profit		9,662,535	10,185,036
Staff costs	1	-9,142,218	-8,774,864
Work performed for own purposes and capitalized		3,619,266	4,432,398
Depreciation/impairment of intangible assets and property, plant and equipment		-6,168,604	-5,400,480
Ordinary operating profit		-2,029,021	442,090
Financial expenses	2	-136,630	-107,863
Profit before tax		-2,165,651	334,227
Tax on profit for the year	3	774,582	-55,261
Profit for the year		-1,391,069	278,966

Proposed profit appropriation		
Retained earnings	-2,209,773	-2,791,129
Reserve development projects	818,704	3,070,095
	-1,391,069	278,966

Financial statements 1 January – 31 December 2020

Balance sheet

	Note	2020	2019
ASSETS			
Non-current assets			
Intangible assets			
Finished development projects		18,211,358	15,722,415
Development projects in progress		5,321,029	9,046,083
	4	23,532,387	24,768,498
Property, plant and equipment			
Fixtures and fittings, tools and equipment		79,407	44,338
Total non-current assets	5	23,611,794	24,812,836
Inventories			
Finished goods		242,368	147,584
Total inventories		242,368	147,584
Receivables			
Receivables from group entities		1,249,628	1,265,108
Other receivables		900,861	326,615
Corporation tax receivable		583,613	184,210
Prepayments		112,498	199,282
		2,846,600	1,975,215
Cash at bank and in hand		5,333,106	6,185,170
Total current assets		8,422,074	8,307,969
TOTAL ASSETS		32,033,868	33,120,805

Financial statements 1 January – 31 December 2020

Balance sheet

	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital		588,908	588,908
Retained earnings		-996,022	1,213,751
Reserve developments projects		14,626,277	13,807,573
Total equity		14,219,163	15,610,232
Provisions			
Provisions for deferred tax		3,542,337	3,733,306
Total provisions		3,542,337	3,733,306
Liabilities other than provisions			
Non-current liabilities other than provisions			
Amounts owed to parent company	6	10,970,368	0
		10,970,368	0
Current liabilities other than provisions			
Amounts owed to parent company		538,143	11,746,964
Trade payables		416,274	741,409
Other payables		2,347,583	1,288,894
		3,302,000	13,777,267
Total liabilities other than provisions		14,272,368	13,777,267
TOTAL EQUITY AND LIABILITIES		32,033,868	33,120,805

7 **Unrecognised rental and lease commitments**

8 **Related parties**

9 **Accounting policies**

Financial statements 1 January – 31 December 2020

Statement of changes in equity

	Share capital	Retained earnings	Reserve developments projects	Total
Opening balance	588,908	1,213,751	13,807,573	15,610,232
Profit for the year	0	-2,209,773	818,704	-1,391,069
Closing equity	588,908	-996,022	14,626,277	14,219,163

Financial statements 1 January – 31 December 2020

Notes

		2020	2019
1	**Staff costs**		
	Wages and salaries	9,051,344	8,679,048
	Pensions	35,598	32,694
	Other social security costs	55,276	63,122
		9,142,218	8,774,864
	Average number of full-time employees	16	14
2	**Financial expenses**		
	Interest expense to group entities	172,233	180,587
	Interest expense to banks	34,516	7,688
	Other financial expenses	24,245	6,939
	Capitalised development work	-94,364	-87,351
		136,630	107,863
3	**Tax on profit/loss for the year**		
	Tax credit for research and development activities	-583,613	-184,210
	Adjustment of deferred tax	-190,969	239,471
	Adjustment of tax, previous years	0	0
		-774,582	55,261

Financial statements 1 January – 31 December 2020

Notes

4 Intangible assets

	Finished develop-ment projects	Develop-ment projects in progress
Opening cost at 1 January 2020	31,047,289	9,597,361
Additions for the year	0	4,885,062
Change to finished development projects	8,419,907	-8,419,907
Closing cost at 31 December 2020	39,467,196	6,062,516
Opening depreciation and impairment losses at 1 January 2020	-15,324,874	-551,278
Depreciation for the year	-5,679,192	0
Impairment for the year	-251,772	-190,209
Closing depreciation and impairment losses for the year at 31 December 2020	-21,255,838	-741,487
Closing carrying amount at 31 December 2020	18,211,358	5,321,029

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment
Opening cost at 1 January 2020	99,531
Additions for the year	82,500
Closing cost at 31 December 2020	182,031
Opening depreciation and impairment losses at 1 January 2020	-55,193
Depreciation for the year	-47,431
Closing depreciation and impairment losses for the year at 31 December 2020	-102,624
Closing carrying amount at 31 December 2020	79,407

Financial statements 1 January – 31 December 2020

Notes

6 **Non-current liabilities other than provisions**

	Total liabilities at 31 December 2019	Total liabilities at 31 December 2020	Repay-ment next year	Non-current portion	Out-standing debt after 5 years
Amounts owed to parent company	0	11,499,347	528,979	10,970,368	9,567,791
	0	11,499,347	528,979	10,970,368	9,567,791

7 **Unrecognised rental and lease commitments**

Liabilities under rental or lease agreements until maturity represent DKK 262 thousand.

8 **Related parties**

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Apator Powogaz S.A.
Klemensa Janickiego no. 23/25
60-542 Poznan
Poland

The consolidated financial statements of Apator Powogaz S.A. are available at the above address.

Financial statements 1 January – 31 December 2020

Notes

9 **Accounting policies**

The annual report of Apator Miitors ApS for 2020 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with a few options from a higher reporting.

Accounting policies are consistent with last year.

Accounting estimates and uncertainties

The preparation of the financial statements relies on the condition that Management makes a number of estimates and assessments of future aspects which will strongly impact the carrying amount of certain assets and liabilities. Development projects in progress is an item subject to critical estimates and assessments with a major impact on the financial statements. The measurement thereof relies predominantly on future earnings. It is likely that future earnings will deviate from forecast earnings as expected events do not always occur.

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

Revenue

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Financial statements 1 January – 31 December 2020

Accounting policies

9 **Accounting policies (continued)**

Other external costs

Other external costs comprise items relating to distribution, sales, advertising, administration, premises, bad debts and consultants and other costs.

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 and payroll costs capitalised as development costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense as well as other income and expenses.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 January – 31 December 2020

Accounting policies

9 **Accounting policies (continued)**

Balance sheet

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 reliably measured and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well 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. Capitalised development projects are amortised over 5 to 7 years from the date on which the development project is ready for commissioning.

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.

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	3 years

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

Financial statements 1 January – 31 December 2020

Accounting policies

9 **Accounting policies (continued)**

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.

Receivables

Receivables are measured at the lower of amortised cost and net realisable value, corresponding to nominal value less write-down for bad debts.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise bank deposits.

Equity

Reserve development projects

Reserve development projects comprises capitalised development costs. The reserve cannot be used for dividend, 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 development 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December 2020

Accounting policies

9 **Accounting policies (continued)**

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 than provisions

Current liabilities are measures at cost, which usually correspond to nominal value.

Other liabilities are measured at net realisable value.