

Velos IoT Europe A/S

**Kay Fiskers Plads 9 5.
2300 København S**

CVR no. 32 88 00 53

**Annual report
1 January to 31 December 2023**

(13rd Financial year)

Adopted at the annual general
meeting on 24 June 2024

Henrik Hvistendal Hansen
chairman

Table of contents

	Page
Company details	
Company details	1
Statements	
Statement by management on the annual report	2
Independent auditor's report on extended review	3
Management's review	
Management's review	5
Financial statements	
Accounting policies	6
Income statement 1 January - 31 December	10
Balance sheet 31 December	11
Notes	13

Company details

The company

Velos IoT Europe A/S
Kay Fiskers Plads 9 5.
2300 København S

CVR no.: 32 88 00 53

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

Supervisory board

Henrik Hvistendal Hansen
Colin Chew
Benjamin Charles Hudson

Executive board

Colin Chew, director

Auditors

Lægård Revision
Statsautoriseret revisionsfirma
Østbanegade 123
2100 København Ø

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Velos IoT Europe A/S for the financial year 1 January - 31 December 2023.

The annual report is 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 financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen S, 24 June 2024

Executive board

Colin Chew
Director

Supervisory board

Henrik Hvistendal Hansen

Colin Chew

Benjamin Charles Hudson

Independent auditor's report on extended review

To the shareholder of Velos IoT Europe A/S

Opinion

We have performed extended review of the financial statements of Velos IoT Europe A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 and IESBA Code. We believe that the 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

Independent auditor's report on extended review

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

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 extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 24 June 2024

Lægård Revision
Statsautoriseret revisionsfirma
CVR no. 18 43 70 82

Thomas Lehmann Jensen
Statsautoriseret revisor
MNE no. mne34128

Management's review

Business review

The company's main activity is trading and investment.

Accounting policies

The annual report of Velos IoT Europe A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in work in progress less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external expenses

Other external expenses include expenses related to sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

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

Accounting policies

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

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Assets with an expected lifetime of less than one year are expensed in the year of acquisition.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Deposits

Deposits are measured at amortized cost, which normally corresponds to nominal value.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise deposits at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		909.414	3.843.860
Staff costs	1	<u>-3.016</u>	<u>-1.157.927</u>
Profit/loss before amortisation/depreciation and impairment losses		906.398	2.685.933
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-323.012</u>	<u>-431.888</u>
Profit/loss before net financials		583.386	2.254.045
Financial income		8.570	0
Financial costs		<u>-101.582</u>	<u>-201.281</u>
Profit/loss before tax		490.374	2.052.764
Tax on profit/loss for the year		<u>-122.233</u>	<u>-451.638</u>
Profit/loss for the year		<u>368.141</u>	<u>1.601.126</u>
Recommended appropriation of profit/loss			
Transferred to reserve for development expenditure		-214.663	-33.198
Retained earnings		<u>582.804</u>	<u>1.634.324</u>
		<u>368.141</u>	<u>1.601.126</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Completed development projects		<u>630.008</u>	<u>905.217</u>
Intangible assets	2	<u>630.008</u>	<u>905.217</u>
Other fixtures and fittings, tools and equipment		<u>42.559</u>	<u>90.362</u>
Tangible assets		<u>42.559</u>	<u>90.362</u>
Deposits		<u>3.813</u>	<u>15.362</u>
Fixed asset investments		<u>3.813</u>	<u>15.362</u>
Total non-current assets		<u>676.380</u>	<u>1.010.941</u>
Trade receivables		3.128.170	5.038.872
Other receivables		5.000	5.000
Deferred tax asset		385.264	0
Corporation tax		<u>197.076</u>	<u>0</u>
Receivables		<u>3.715.510</u>	<u>5.043.872</u>
Cash at bank and in hand		<u>3.803.624</u>	<u>2.296.394</u>
Total current assets		<u>7.519.134</u>	<u>7.340.266</u>
Total assets		<u><u>8.195.514</u></u>	<u><u>8.351.207</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		1.000.000	1.000.000
Reserve for development expenditure		491.406	706.069
Retained earnings		<u>4.445.567</u>	<u>3.862.764</u>
Equity		<u>5.936.973</u>	<u>5.568.833</u>
Provision for deferred tax		<u>0</u>	<u>84.308</u>
Total provisions		<u>0</u>	<u>84.308</u>
Banks		0	134
Trade payables		672.860	802.419
Payables to subsidiaries		674.138	1.011.833
Corporation tax		78.122	572.330
Joint taxation contributions payable		791.154	0
Other payables		42.124	70.260
Deferred income		<u>143</u>	<u>241.090</u>
Total current liabilities		<u>2.258.541</u>	<u>2.698.066</u>
Total liabilities		<u>2.258.541</u>	<u>2.698.066</u>
Total equity and liabilities		<u>8.195.514</u>	<u>8.351.207</u>
Contingent liabilities	3		

Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	0	1.061.490
Pensions	0	78.000
Other social security costs	<u>3.016</u>	<u>18.437</u>
	<u>3.016</u>	<u>1.157.927</u>
Number of fulltime employees on average	<u>0</u>	<u>2</u>

2 Intangible assets

It strengthens the company's opportunities to increase market shares in the home market and in the Nordics by integrating and implementing several suppliers. The most recent integration also strengthens the opportunities in the North American market, where a technology change opens up new players in a growing and interesting IoT market. It is the assessment that the latest measures will result in increased revenue already in the coming year period.

3 Contingent liabilities

The company is jointly taxed with its parent company, Velos IoT Denmark ApS, and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year onwards as well as for payment of withholding taxes on dividends, interest and royalties.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Benjamin Charles Hudson

Bestyrelsesmedlem

Serienummer: ben.hudson@velosiot.com

IP: 149.102.xxx.xxx

2024-06-25 14:02:54 UTC

Ben Hudson

Henrik Hvistendal Hansen

Bestyrelsesmedlem

Serienummer: 1898e3e0-bb91-4db9-ae1-0023c9c60a05

IP: 5.186.xxx.xxx

2024-06-26 13:04:54 UTC



Colin Chew

Bestyrelsesmedlem

Serienummer: colin.chew@velosiot.com

IP: 62.56.xxx.xxx

2024-06-27 11:31:37 UTC

Colin Chew

Colin Chew

Direktør

Serienummer: colin.chew@velosiot.com

IP: 62.56.xxx.xxx

2024-06-27 11:31:37 UTC

Colin Chew

Thomas Lehmann Jensen

Lægård Revision Statsautoriseret revisionsfirma CVR: 18437082

Statsautoriseret revisor

På vegne af: Lægård Revision

Serienummer: e3c45d7e-fd60-48f9-a62f-db0a851ce3d5

IP: 91.133.xxx.xxx

2024-06-27 11:33:18 UTC



Henrik Hvistendal Hansen

Dirigent

Serienummer: 1898e3e0-bb91-4db9-ae1-0023c9c60a05

IP: 5.186.xxx.xxx

2024-06-28 11:14:10 UTC



Penneo dokumentnøgle: UJ6CA-KOJEW-5QE36-01VX2-X6Y6T-0EXPZ

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service <penneo@penneo.com>**. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: **https://penneo.com/validator**