



Unisense A/S

Tueager 1
8200 Aarhus N
CVR No. 33762593

Annual report 2021

The Annual General Meeting adopted the
annual report on 16.05.2022

Carl Erik Skovgaard
Conductor

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Entity details

Entity

Unisense A/S

Tueager 1

8200 Aarhus N

Business Registration No.: 33762593

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Carl Erik Skovgaard, chairman

Flemming Besenbacher

Michael Reeslev

Lars Rabe Tønnesen

Ole Pedersen

Executive Board

Thomas Rattenborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Unisense A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 01.04.2022

Executive Board

Thomas Rattenborg

Board of Directors

Carl Erik Skovgaard
chairman

Flemming Besenbacher

Michael Reeslev

Lars Rabe Tønnesen

Ole Pedersen

Independent auditor's report

To the shareholder of Unisense A/S

Opinion

We have audited the financial statements of Unisense A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 commentary.

Aarhus, 01.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Sune Pagh Sølvsteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Primary activities

The Company's primary activities are manufacturing of equipment for measurement, testing, navigation and control, as well as manufacturing of other electronic equipment and components.

Development in activities and finances

As in 2020, the sales were slightly impacted by the worldwide Covid-19 situation, and sales was comparable to the year before.

The operating profit from business activities before depreciation, amortization and impairment losses was DKK 4,815k, and operating profit was DKK 4,144k. Earnings from activities in daughter company Unisense Environment A/S was DKK 1,280k. Total earning of the year was DKK 4,822k.

Production and development were challenged by increasing pricing, component shortness and delivery issues. Our marketing efforts were highly impacted and reduced in 2021 due to Covid-19 restrictions. We have invested in building new website and strengthen our platforms for digital marketing and expect to capitalize from this moving forward.

Our AQISE sensor research development program for new environmental monitoring sensors ended ultimo 2021 and will continue as product development program in 2022.

2021 was the first full financial year after the sulfi logger assets was sold on July 1st 2020 to SulfiLogger A/S.

A positive financial result is still expected for the coming financial year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		16,811,686	15,543,997
Staff costs	1	(11,996,931)	(10,299,166)
Depreciation, amortisation and impairment losses	2	(670,327)	(2,713,565)
Operating profit/loss		4,144,428	2,531,266
Income from investments in group enterprises		1,279,871	145,655
Other financial income	3	596,035	306,837
Financial expenses from group enterprises		0	(73,437)
Other financial expenses		(199,236)	(315,009)
Profit/loss before tax		5,821,098	2,595,312
Tax on profit/loss for the year	4	(999,000)	(547,047)
Profit/loss for the year		4,822,098	2,048,265
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		3,700,000	3,100,000
Retained earnings		1,122,098	(1,051,735)
Proposed distribution of profit and loss		4,822,098	2,048,265

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	6	1,257,771	1,789,942
Acquired patents		0	0
Goodwill		0	0
Intangible assets	5	1,257,771	1,789,942
Plant and machinery		101,108	176,670
Other fixtures and fittings, tools and equipment		50,965	98,136
Leasehold improvements		0	0
Property, plant and equipment	7	152,073	274,806
Investments in group enterprises		0	0
Deposits		1,203,252	641,052
Financial assets	8	1,203,252	641,052
Fixed assets		2,613,096	2,705,800
Raw materials and consumables		700,102	689,227
Manufactured goods and goods for resale		4,441,836	4,827,800
Inventories		5,141,938	5,517,027
Trade receivables		3,758,037	1,714,143
Receivables from group enterprises		1,892,073	6,518,922
Other receivables		5,223,418	463,816
Prepayments		123,722	133,614
Receivables		10,997,250	8,830,495
Cash		3,301,274	3,892,001
Current assets		19,440,462	18,239,523
Assets		22,053,558	20,945,323

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		2,158,300	2,158,300
Reserve for development expenditure		981,061	1,396,154
Retained earnings		6,484,918	4,947,727
Proposed dividend		3,700,000	3,100,000
Equity		13,324,279	11,602,181
Deferred tax		203,000	316,000
Provisions		203,000	316,000
Other payables	9	1,088,940	1,076,668
Non-current liabilities other than provisions	10	1,088,940	1,076,668
Bank loans		0	44,754
Prepayments received from customers		3,684,043	2,453,841
Trade payables		905,683	512,472
Joint taxation contribution payable		1,112,000	2,845,047
Other payables	11	1,735,613	2,094,360
Current liabilities other than provisions		7,437,339	7,950,474
Liabilities other than provisions		8,526,279	9,027,142
Equity and liabilities		22,053,558	20,945,323
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2,158,300	1,396,154	4,947,727	3,100,000	11,602,181
Ordinary dividend paid	0	0	0	(3,100,000)	(3,100,000)
Transfer to reserves	0	(415,093)	415,093	0	0
Profit/loss for the year	0	0	1,122,098	3,700,000	4,822,098
Equity end of year	2,158,300	981,061	6,484,918	3,700,000	13,324,279

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	12,266,844	16,017,352
Pension costs	612,541	726,068
Other social security costs	180,950	202,529
Other staff costs	(1,063,404)	(821,841)
	11,996,931	16,124,108
Staff costs classified as assets	0	(5,824,942)
	11,996,931	10,299,166

Average number of full-time employees	22	29
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2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	532,171	2,330,072
Depreciation of property, plant and equipment	138,156	383,493
	670,327	2,713,565

3 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	320,138	306,671
Other interest income	0	166
Exchange rate adjustments	275,897	0
	596,035	306,837

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	1,112,000	2,845,047
Change in deferred tax	(113,000)	(2,298,000)
	999,000	547,047

5 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Goodwill DKK
Cost beginning of year	2,664,701	208,628	17,979,643
Cost end of year	2,664,701	208,628	17,979,643
Amortisation and impairment losses beginning of year	(874,759)	(208,628)	(17,979,643)
Amortisation for the year	(532,171)	0	0
Amortisation and impairment losses end of year	(1,406,930)	(208,628)	(17,979,643)
Carrying amount end of year	1,257,771	0	0

6 Development projects

Completed development projects in sensors continues to generate revenue and management see no impairment issues regarding the projects.

7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,520,308	1,324,916	547,154
Additions	0	15,423	0
Cost end of year	1,520,308	1,340,339	547,154
Depreciation and impairment losses beginning of year	(1,343,638)	(1,226,780)	(547,154)
Depreciation for the year	(75,562)	(62,594)	0
Depreciation and impairment losses end of year	(1,419,200)	(1,289,374)	(547,154)
Carrying amount end of year	101,108	50,965	0

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	2,000,000	641,052
Additions	0	562,200
Cost end of year	2,000,000	1,203,252
Impairment losses beginning of year	(2,000,000)	0
Share of profit/loss for the year	1,279,871	0
Investments with negative equity value depreciated over receivables	(1,279,871)	0
Impairment losses end of year	(2,000,000)	0
Carrying amount end of year	0	1,203,252

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Unisense Environment A/S	Aarhus	A/S	100,0

9 Other payables

	2021 DKK	2020 DKK
Holiday pay obligation	1,088,940	1,076,668
	1,088,940	1,076,668

10 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	1,088,940	1,088,940
	1,088,940	1,088,940

11 Other payables

	2021 DKK	2020 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	1,243,126	1,095,738
Holiday pay obligation	491,985	709,260
Other costs payable	502	289,362
	1,735,613	2,094,360

12 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	11,357,441	5,132,958

13 Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Unisense Holding 2 A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

14 Assets charged and collateral

Bank debt has been secured by a deposited all-monies mortgage providing security in a floating charge of DKK 4,500k on the Company's intangible assets, plant and equipment, inventories as well as receivables.

The Company has provided a guarantee of DKK 762k to the bank of a subsidiary and provided 10% of its shares in Unisense Environment A/S as security for the debt.

The carrying amount of the charged shares amounts to DKK 0k.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, however, with some reclassifications.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts

and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually ten years. However, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation period is 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for

the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.