

Zenros ApS
Fiskernesvej 6, 2670 Greve

CVR-nr. 34 20 96 42

Annual report 2022/2023

1st July 2022 - 30th June 2023
(10th financial year)

Approved at the ordinary
annual general meeting 29/10-2023

Chairman
Lars Melvin Scharf

Table of Contents

	Page
Company information	1
Management endorsement	2
Independent Auditor’s opinion.....	3
Management Report	7
Applied accounting policy	8
Income Statement	12
Balance Sheet	13
Equity.....	17
Notes.....	16

Company information

Company:

Zenros ApS
Fiskernesvej 6
2670 Greve

CVR-nr.: 34 20 96 42

Registered company address: Greve

Executive board:

Lars Melvin Scharf
Fiskernesvej 6
2670 Greve

Auditor:

Revisionsfirmaet Jan Kristensen, Registreret Revisionsanpartsselskab

Management endorsement

The board of directors and the executive board have today presented the Annual Report 2022/2023 for Zenros ApS.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies to be appropriate so that the financial statements give a true and fair view of the assets, liabilities, financial position and profit.

The Annual Report is recommended for approval for the Annual General Meeting.

Greve 29th October 2023

Executive board:

Lars Melvin Scharf

Opting out of audit

The general meeting has decided that the annual report for the following financial years must not be audited.

Greve 29th October 2023

Chairman

Lars Melvin Scharf

The Independent Auditor's report

To the shareholders of Zenros ApS:

Opinion with qualification:

We have audited the financial statements of Zenros ApS for the financial year 1st July 2022 - 30th June 2023, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements apart from the effects of the conditions described in the section "Basis for conclusion with qualification" give a true and fair view of the company's financial position as at 30th of June 2023 and of the result of the company's operations for the financial year 1st July 2022 to the 30th June 2023, in accordance with the Danish Financial Statements Act.

Basis for conclusion with qualification:

The company has included TDKK 1,041 in revenue. Cf. applied accounting practices, the net revenue from the sale of merchandise and finished goods can only be recognized in the income statement if delivery and transfer of risk to the buyer have taken place before the end of the year. We have not been able to obtain documentation that delivery and thus the transfer of risk to the buyer has taken place before the end of the year.

The company has expensed TDKK 610 in the consumption of goods. Cf. applied accounting principles, the consumption of goods must include direct costs for the purchase of goods that relate to the year's net turnover. We have not been able to obtain documentation that delivery and thus the transfer of risk to the buyer took place before the end of the year and thus that the purchase of goods of TDKK 610, which relates to this turnover of TDKK 1,041 can be included in this financial year.

It is our opinion that the year's profit before tax is TDKK 431 too high, while tax on the year's profit would be reduced by TDKK 95, profit after tax would be reduced by TDKK 336 and equity would be reduced by TDKK 336.

The Independent Auditor's report

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion with qualification.

Management's responsibility for the Financial Statements:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and such internal control as Management determines is necessary to enable the preparation of the 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 assurance about whether the financial statements as a whole are free from material misstatements, 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 ISA's 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 of accounting information taken on the basis of these financial statements.

The Independent Auditor's report

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 risk 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.

The Independent Auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review:

Management is responsible for 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 Statement Act. We did not identify any material misstatement of Management's Review.

Søborg, 29th October 2023

REVISIONSFIRMAET JAN KRISTENSEN
REGISTRERET REVISIONSANPARTSSELSKAB
CVR-nr. 35 38 36 46

Steen Storm Winther
registered public accountant
MNE-nr.: mne33715

Management report

Essential business activities:

The company's essential business activities are to develop and sell energy saving systems for buildings.

Development of operations and financial position:

In the financial year 2022/2023 the company has realised a profit(loss) before tax amounted to TDKK -2.542 compared to TDKK -47 the year before. Profit(loss) after tax amounted to TDKK -2.109 compared to TDKK -37 the year before. The company's equity equals TDKK 438.

Special factors relating to the financial year:

The company's management expects that the company will in future have a positive operation on the basis of prepared budgets. In the light of this, the management considers that it is reasonable and justifiable to present the annual accounts on the assumption of continued operations.

In the financial year, extraordinary write-downs were made on projects in the amount of TDKK 1,341.

Events after the reporting period:

Except from the abovementioned no events have occurred after the reporting period that could significantly effect the Company's financial position.

Applied Accounting Policy

The annual report has been prepared in accordance with the provisions for Class B companies.

Pursuant to the exemptions provided for in the Danish Financial Statements Act section 32, the company has prepared the income statement in condensed form, so that the composition of gross profit is not shown.

General about recognition and measurement:

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

Liabilities are recognised in the balance sheet when the Company as a result of a past event has a legal or actual obligation and it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

Assets and liabilities are initially recognised at cost price. Measurement has subsequently taken place as described for each item below.

By recognition and measurement predictable losses and risks, that arise before preparation of the annual report, are taken into account and which confirm or invalidate conditions existing at the balance sheet date.

In the income statement, income is recognised as it is earned, whereas costs are recognised with the amounts relating to the financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Income Statement:

Gross profit:

"Gross profit" includes "revenue", "Costs of goods sold/Third-party contracts", "Other operating income" and "Other external costs".

Revenue:

Revenue is recognised in the income statement as the work is performed, whereby the revenue corresponds to the selling price for the work performed. Revenue is recognised ex VAT.

Accounting Policies - continued

The net turnover from the sale of merchandise and finished goods is recognized in the profit and loss account if delivery and transfer of risk to the buyer have taken place before the end of the year. The net turnover is recognized excl. VAT and with deduction of discounts in connection with the sale.

Cost of goods sold/Foreign work:

Cost of goods sold and foreign work are related to the revenue of the year.

Other operating income:

Other operating income include income of secondary character relative to the company's essential business activities.

Other external costs:

Other external costs include costs for distribution, sales, advertisement, administration, office rent, loss on debtors etc.

Staff costs:

Staff costs include wages and salaries as well as social spending etc. to the company's staff.

Financial entries:

Financial entries include interest income and expenses, realized and unrealized capital gain and loss concerning debt and transactions in foreign currency, and surcharges and refunds in connection with taxes.

Tax:

Tax on the taxable income is allocated by 22,0%. Additions, deductions and allowances relating to tax are included under financial entries.

Deferred tax is allocated with 22,0% of all temporary differences between book values and tax values.

Adjustment of deferred tax is included in the income statement under "Tax on net profit for the year".

Deferred tax assets, including the tax value of tax loss carried forward, are recognised at the value at which the asset is expected realised, either against deferred tax liabilities or as net assets.

Accounting Policies - continued

Balance sheet:

Intangible fixed assets:

Fixed assets are recognized to acquisition price with deduction of accumulated depreciation. Depreciations are based on expected economic life of the assets, and essentially the following economic life's are used when calculating the depreciations:

	<u>Useful life</u>	<u>Residual</u>
Development.....	10 years	0%

Development projects are recognised with direct costs.

Operating equipment and inventory with an acquisition price under DKK 32,000 are charged to the income statement in the year of acquisition.

Expenses for computer programmes (software) and costs of development, customisation, etc. of computer systems are charged to the income statement in the year in which the expenditure is incurred.

Profit or loss on disposals of tangible and financial fixed assets is calculated as the difference between the selling price less selling costs and the book value at the time of sale. Profit or loss is recognised in the income statement under other operating income vs. other operating expenses.

Impairment of assets:

The book value of assets is recognised yearly for indication of impairment in addition to depreciations.

In case of indications of impairment, there will be an impairment test on each asset or each group of assets. There will be a write down to a lower recoverable amount if this is lower than the recognised value.

Accounting Policies - continued

Receivables:

Receivables are measured at amortised cost, which usually corresponds to the nominal value less provision for bad debts.

Liabilities:

Liabilities are recognised at amortized cost, which usually corresponds to the nominal value.

Calculation of foreign currencies:

Transactions in foreign currencies are initially recognised 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 measured at the exchange rate at the balance sheet date. Exchange differences arising between the transaction date and the date of payment/the balance sheet date respectively are recognised in the income statement as financial entries.

Income Statement for the period 1st July 2022 - 30th June 2023

<u>Note</u>		2021/ 2022	<u>TDKK</u>
1	Gross profit.....	172.923	560
2	Staff costs.....	0	0
3	Depreciation, amortisation and write-downs.....	-2.023.886	-676
	Writedowns of current assets.....	-583.267	0
	Profit before financial entries.....	-2.434.230	-116
	Other finance income from group enterprises.....	1.576	0
	Financial income.....	7.150	172
	Other financial expenses.....	-116.063	-103
	Profit before tax.....	-2.541.567	-47
4	Tax expense on ordinary activities.....	432.547	10
	Profit (loss).....	-2.109.020	-37
	Proposed distribution of net profit (loss) :		
	Proposed dividend.....	0	0
	Transferred to reserve for development expenditure.....	-237.282	-134
	Retained loss.....	-1.871.738	97
	Total distribution	-2.109.020	-37

Balance Sheet as at 30th June 2023

Assets

<u>Note</u>		30/6 2022 <u>TDKK</u>
	Fixed assets:	
5	Intangible assets:	
	Completed development projects.....	964.358 2.720
	Development projects in progress.....	97.804 268
	Intangible assets	<u>1.062.162</u> <u>2.988</u>
	Investments:	
	Deposits	<u>575</u> <u>1</u>
	Total investments	<u>575</u> <u>1</u>
	Total fixed assets	<u>1.062.737</u> <u>2.989</u>
	Current assets:	
	Inventories.....	<u>0</u> <u>0</u>
	Receivables:	
	Trade receivables	724.710 340
	Receivables from group enterprises.....	59.524 36
	Other receivables.....	54.683 227
	Prepayments.....	20.839 88
	Total receivables	<u>859.756</u> <u>691</u>
	Cash.....	<u>179.563</u> <u>65</u>
	Current assets total.....	<u>1.039.319</u> <u>756</u>
	Assets total.....	<u>2.102.056</u> <u>3.745</u>

Balance Sheet as at 30th June 2023

Liabilities and equity

<u>Note</u>		30/6 2022 <u>TDKK</u>
	Equity:	
	Share capital.....	1.300.000 1.300
	Retained earnings.....	-976.170 896
	Reserve for development expenditure.....	114.352 352
	Proposed dividend for the year.....	<u>0 0</u>
	Total equity	<u>438.182 2.548</u>
	Provision for liabilities:	
	Provisions for deferred tax.....	<u>233.676 652</u>
	Total provisions	<u>233.676 652</u>
	Liabilities:	
	Long term liabilities:	
6	Other long term liabilities.....	<u>0 22</u>
	Total long-term liabilities	<u>0 22</u>
	Short term liabilities:	
	Trade payables.....	780.663 237
	Other payables.....	<u>649.535 286</u>
	Total short-term liabilities	<u>1.430.198 523</u>
	Total liabilities	<u>1.430.198 545</u>
	Total liabilities and equity	<u>2.102.056 3.745</u>
7	Pledges, securities and contingent liabilities	
8	Going concern	

Equity as at 30th June 2023

	<u>Share- capital</u>	<u>Reserve for deve- lopment expenditure</u>	<u>Retained earnings</u>	<u>Suggested dividend</u>
Equity, beginning balance.....	1.300.000	351.634	895.568	0
Profit (loss).....	0	0	-2.109.020	0
Other adjustments of equity.....	0	-237.282	237.282	0
Dividend paid.....	0	0	0	0
Dividend.....	0	0	0	0
Equity, ending balance.....	<u>1.300.000</u>	<u>114.352</u>	<u>-976.170</u>	<u>0</u>

Equity as at 30th June 2023

1 Gross Profit:

The item includes an amount of TDKK -2 (TDKK 0 last year) regarding Corona compensation.

		2021/ 2022 <u>TDKK</u>
2 Staff costs:		
Salaries	0	0
Pensions	0	0
Other social security costs	0	0
	<u>0</u>	<u>0</u>

		2021/ 2022 <u>TDKK</u>
Average number of employed persons.....	<u>1</u>	<u>1</u>

		2021/ 2022 <u>TDKK</u>
3 Depreciation, amortisation and write-downs:		
Depreciation.....	683.283	676
Write-downs.....	1.340.603	0
	<u>2.023.886</u>	<u>676</u>

4 Company tax:

Specification of company tax:

Tax of taxable income for the year.....	-14.315	21
Regulation of provision for deferred tax	-418.232	-31
	<u>-432.547</u>	<u>-10</u>

Notes to Annual Report

5 Assets overview:

	<u>Unfinished development projects</u>
Acquisition price 1st July 2022.....	267.511
Acquisitions of the year.....	97.804
Disposals of the year at cost price.....	<u>-267.511</u>
Acquisition price 30th June 2023.....	<u>97.804</u>
Depreciation 1st July 2022.....	0
Depreciation and writedowns of the year.....	0
Depreciation and writedowns regarding disposal of the year....	<u>0</u>
Depreciation and writedowns 30th June 2023.....	<u>0</u>
Book value 30th June 2023.....	<u>97.804</u>

5 Assets overview:

	<u>Finished development projects</u>
Acquisition price 1st July 2022.....	6.765.952
Acquisitions of the year.....	267.511
Disposals of the year at cost price.....	<u>0</u>
Acquisition price 30th June 2023.....	<u>7.033.463</u>
Depreciation 1st July 2022.....	4.045.219
Depreciation and writedowns of the year.....	2.023.886
Depreciation and writedowns regarding disposal of the year....	<u>0</u>
Depreciation and writedowns 30th June 2023.....	<u>6.069.105</u>
Book value 30th June 2023.....	<u>964.358</u>

Notes to Annual Report

6 Long term liabilities:

Later than 5 years from the balance sheet date, DKK 0 of the long-term debt falls due

7 Pledges, securities and contingent liabilities:

A letter of indemnity in the amount of DKK 500.000 secured on company assets. The company assets include stock, goodwill, domain name and rights according to the law of patents, the law of trademarks, the law of designs, the law of utility models, the law of patterns, the law of copyrights and the law of the production of semiconductor products design (Topography). The letter of indemnity is as at 30th June 2023 provided as security for debt to the bank of DKK 0.

The group's entities are jointly taxed and are subject to unlimited, joint and several liability together with the other jointly taxed entities, for the total income tax and for any obligations to withhold tax at source on interest, royalty and dividends for the jointly taxed entities. The total corporate tax to be paid/to be received is shown in the annual report 2022/2023 for Zenros Group Holding ApS.

8 Going concern:

The company's management expects that the company will in future have a positive operation on the basis of prepared budgets. In the light of this, the management considers that it is reasonable and justifiable to present the annual accounts on the assumption of continued operations.