

KINECTRICS INTERNATIONAL EUROPE ApS

C/O 360 Law Firm
Lautrupsgade 7, 3, tv,
2100 København Ø

CVR No. 34471770

Annual Report

1 April 2021 - 31 March 2022

10. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 2 September 2022

Nancy MacDonald Exel
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of KINECTRICS INTERNATIONAL EUROPE ApS for the financial year 1 April 2021 - 31 March 2022.

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 assets, liabilities and financial position of the Company at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 2 September 2022

Executive Board

David Harris
Man. Director

Shahrokh Zangeneh
Manager

Nancy MacDonald Exel
Manager

The independent practitioner's report

To the shareholders of KINETRICS INTERNATIONAL EUROPE ApS

Conclusion

We have performed an extended review of the Financial Statements of Kinectrics International Europe ApS for the financial year 1 April 2021 - 31 March 2022, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2022 and of the results of the Company operations for the financial year 1 April 2021 - 31 March 2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner'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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

The independent practitioner's report

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 Financials 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.

Hillerød, 2 September 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33771231

Henrik Aslund Pedersen

State Authorised Public Accountant

mne17120

KINECTRICS INTERNATIONAL EUROPE ApS

Company details

Company	KINECTRICS INTERNATIONAL EUROPE ApS C/O 360 Law Firm Lautrupsgade 7, 3, tv, 2100 København Ø
CVR No.	34471770
Date of formation	10 April 2012
Registered office	København
Executive Board	David Harris, Man. Director Shahrokh Zangeneh, Manager Nancy MacDonald Exel, Manager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities consist is to supply test equipment and inspection to the electrical industry.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 April 2021 - 31 March 2022 shows a result of EUR -118.805 and the Balance Sheet at 31 March 2022 a balance sheet total of EUR 4.223.346 and an equity of EUR 695.605.

The company has continued its normal operating activities. Apart from the outbreak of the Corona virus, there have been no isolated events during the financial year that are of such a significant nature that they require mention in the management's report.

The outbreak of the Corona virus and the restrictions imposed have not significantly affected the year's activities and economic development.

The development and result for the year are considered satisfactory in these circumstances.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of KINECTRICS INTERNATIONAL EUROPE ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in EUR.

Translation policies

Transactions in foreign currencies are translated into EUR at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into EUR based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, other operation income and other external expenses.

Revenue

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Accounting Policies

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

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

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Deposits

Deposits are measured at cost.

Work in progress

Work in progress is comprises the cost of raw materials, consumables and direct labour.

Accounting Policies

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments

Prepayments is recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Income Statement

	Note	2021/22 EUR	2020/21 EUR
Gross profit		3.159	169.168
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-103.360	-63.753
Profit from ordinary operating activities		-100.201	105.415
Finance expenses arising from group enterprises		-12.947	-80
Finance expences		-18.604	-12.665
Profit from ordinary activities before tax		-118.805	92.750
Tax expense on ordinary activities		0	0
Profit		-118.805	92.750
Proposed distribution of results			
Retained earnings		-118.805	92.750
Distribution of profit		-118.805	92.750

Balance Sheet as of 31 March

	Note	2022 EUR	2021 EUR
Assets			
Fixtures, fittings, tools and equipment		227.497	330.857
Property, plant and equipment		227.497	330.857
Deposits, investments		91.640	56.765
Investments		91.640	56.765
Fixed assets		319.137	387.622
Work in progress		161.072	214.208
Inventories		161.072	214.208
Short-term trade receivables		888.715	1.076.863
Short-term receivables from group enterprises		1.788.674	1.796.032
Other short-term receivables		46.646	28.649
Prepayment		6.960	0
Receivables		2.730.995	2.901.544
Cash and cash equivalents		1.012.142	870.908
Current assets		3.904.209	3.986.660
Assets		4.223.346	4.374.282

Balance Sheet as of 31 March

	Note	2022 EUR	2021 EUR
Liabilities and equity			
Contributed capital		13.487	13.487
Retained earnings		682.118	800.923
Equity		695.605	814.410
Trade payables		194.309	212.088
Payables to group enterprises		3.207.715	3.040.387
Other payables		17.378	195.340
Deferred income, liabilities		108.339	112.057
Short-term liabilities other than provisions		3.527.741	3.559.872
Liabilities other than provisions within the business		3.527.741	3.559.872
Liabilities and equity		4.223.346	4.374.282
Contingent liabilities	1		
Collaterals and assets pledges as security	2		
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 April 2021	13.487	800.923	814.410
Profit (loss)	0	-118.805	-118.805
Equity 31 March 2022	13.487	682.118	695.605

The share capital has remained unchanged for the last 5 years.

Notes

1. Contingent liabilities

Guarantees have been provided for Euro 49,725.

2. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

3. Consolidated Financial Statement

The company is included in the Group Annual Report of the parent Company.

Name:

Place of registered office:

Kinectrics International Inc.

800 Kipling Avenue, Unit 2, Toronto, Ontario M8Z 5G5, Canada