ReMoni A/S

Kristiansvej 13
8660 Skanderborg

CVR no. 35 21 21 24

Annual report 2021

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

on 20 April 2022

Bo Eskerod Madsen
chairman of the annual general meeting

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 ReMoni A/S for the financial year 1 January – 31 December 2021.

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 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Skanderborg, 20 April 2022
Executive Board:

Bo Eskerod Madsen

Board of Directors:

Karl Kenneth Vinther Iversen	Bo Eskerod Madsen	Jesper Bjarne Haugaard

Independent auditor's report

To the shareholders of ReMoni A/S

Opinion

We have audited the financial statements of ReMoni A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, and cash flow statement and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 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 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' 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.

Auditor's responsibilities for the audit of 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, that 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.

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 20 April 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen State Authorised Public Accountant mne34459	Katrine Gybel State Authorised Public Accountant mne45848

Management's review

Company details

ReMoni A/S
Kristiansvej 13
8660 Skanderborg

CVR no.	35 21 21 24
Established:	5 April 2013
Registered office:	Skanderborg
Financial year:	1 January – 31 December

Board of Directors

Karl Kenneth Vinther Iversen (Chairman)
Bo Eskerod Madsen
Jesper Bjarne Haugaard

Executive Board

Bo Eskerod Madsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
8000 Aarhus C

Management commentary 2021

Executive summary

ReMoni has developed an international patented technology platform to help optimize productivity, energy, and water by easy and comprehensive monitoring.

ReMoni A/S is a Danish owned tech scale-up with two actual main business areas:

A. ReSave which is our current business area, helping optimize buildings and production through full-service monitoring, where our technicians install and run the solution and help ensuring the optimizations.

B. ReMoniMetering which is our future business area of comprehensive legal metering of power, water, heat and cooling, form the outside of the existing cables and pipes.

The business foundation is our ability to measure much more cost-efficient than all others. The secret is our patented wireless sensors which are clamped non-destructive to the outside of the existing cables, pipes, etc. and use AI (Artificial Intelligence) to find the actual energy flows and insights.

Our vision is to develop our technology platform international to help accelerate the green transition towards sustainability through saving resources and energy in buildings, production, and utilities.

This is done in strong lasting partnerships with companies and academia, and with our employees as company-partners and co-owners.

Profit for the year was DKK 3.5 million

This is very satisfactory as it is achieved while we have invested significant in R&D. The result is better than budgeted for the year, despite the global challenges of component shortage, and Corona-Covid19 restrictions.

The result is significantly better than budgeted, and very positive considered our large development and patent costs which have increased in line with the increased staffing in both development and sales, and the added costs from the global component shortage and Corona-Covid-19 restrictions.

Liquidity has improved significant to 29,7 million on 31 December 2021.

Equity has improved significant to DKK 61,9 million on 31 December 2021, explained by:

- Profit after tax.
- Investments in new development of DKK 13,2 million.
- A capital increase of DKK 30 million from the group of four new investors.
- The remaining depts have been paid, so the company is now dept-free.
- Net Received grants of DKK 3,8 million.
- Increased capital in daughter companies and stocks.

During the year the ReMoni A/S have capitalized development costs amounting to DKK 13,2 million consisting of staff costs amounting of DKK 9,6 million, external costs amounting to DKK 3,3 million and financial costs amounting to DKK 0,2 million. Further the ReMoni A/S have received net DKK 3,8 million in grants, which have been recognised under deferred income in the balance sheet.

ReMoni has grown and has therefore moved to new larger facilities at Kristiansvej 13, and we have initiated a new production and development unit in Iasi in Rumania. The team-size is grown to 29 people, with 20 full time equivalent employees on average in 2021.

Expectations for 2022 and 2023

We expect that the negative impacts from the global component shortage and Covid-19 will diminish in the first part of the year, and expects therefore a solid expansion both financial, team-wise and in development in 2022.

Because of our strong financial status, we have prioritized temporarily in 2022-2023 to prioritize the speed of building up our competences and organization at the expense of financial results.

Dispositions

It is recommended to the general meeting that no dividend be paid for 2021.

Primary activities

ReMoni help optimize productivity, energy, and water by easy and comprehensive monitoring technology.

ReMoni is all about saving resources in an inexpensive, intelligent, and easy way. We started out by inventing a whole new type of clamp-on sensors to help solve the problem. They differ by being able to monitor energy and flow from the outside of existing cables and pipes. The data from the sensors is automatic analysed by cloud computing using math (machine learning, artificial intelligence, etc.) to deliver dense and precise measurements for optimisation and metering.

The results are presented in customer centric dashboards in our cloud solution ReCalc and ReCalc MoniTor. Here the single dashboard is adapted to the specific decision process it supports.

Our goal is to help our customers:

- ✓ Identify dysfunctional devices, and thereby eliminate waste and ensure stable operation.
- ✓ Save energy and water, by drilling down to where the problems are in the buildings or production.
- ✓ Deliver affordable metering to ensure fair and granular billing of sustainable energy and water.

The ReMoni solution

The business foundation is our ability to measure much more cost-efficient than all others. The secret is the patented wireless sensors which are clamped non-destructive to the outside of the existing cables, pipes, etc. and use AI (Artificial Intelligence) to find the actual energy flows and insights.

Figure 1. The user-interfaces, AI, data-warehouse, integration modules, etc. are hosted in the ReMoni ReCalc cloud solution which deliver the overview for the customers and the control centre.

Partnerships

Partnerships are essential to ReMoni. Both with commercial partners and academia.

On the commercial side, we have strong partnerships with both Danish and international partners, and two new larger partnerships are made in 2021 with Uponor and Grundfos.

Within academia, the largest partnerships are with three of the largest Danish universities, the Technical University of Iasi in Romania and the Technical University of Eindhoven in the Netherlands. The scientists at the universities use our technology to build novel analysis models to improve operational stability, energy efficiency, and indoor climate.

The partnerships is an important path towards the ReMoni growth in the coming years, and an area we have allocated significant resources for.

Open data to our customers and partners is central.

Both customers and partners have open access to data through our management platform ReCalc. It is chosen to differentiate us from the much more closed solutions in the market, where customers and partners have experienced to be challenged by vendor lock-in.

We have made a strategic decision to ensure openness through our API (Application Programming Interface) on top of our data-warehouse for integration to partners and customers. To underline the openness, the API comes with no extra cost for our customers and partners.

IPR assets

There are granted patents on the inventions behind the ReMoni solutions in multiple regions, incl. EU, US, Japan, Australia, and China. The more than 40 patents are granted in six patent families, and new patent applications have been filed during the year.

ReMoni has grown significant

ReMoni has grown to 29 employees in 2021, and we have moved into larger premises in Skanderborg in Demark.

Figure 2. The new ReMoni premises at Kristiansvej 13 in Skanderborg, Denmark.

Company values

Sustainability and decency

The company is managed through a set of values:

- ✓ Technology must be for the greater good. It must help built a more sustainable living - and not bring harm.
- ✓ Profitability is necessary and important for our business and to ensure stability, progress, and commitment from our owners.
- ✓ Decency is our way. Both in relation to employees and collaboration partners. In our view decency goes both ways – we strive hard to live by it and expect that our employees and partners do the same.
- ✓ Workplaces must be good and safe, with room for differences and preferences.
- ✓ Transparency and fairness are core values for us - we believe that decent, fair, and anti-corrupt relations pay off in the long run.
- ✓ We respect and reward our good colleagues and collaboration partners – we work and live as an organism, not a machine.

Only in this way ReMoni can make a positive example to follow and give our small contribution to build a better world.

History

ReMoni is founded by a small group of environmental enthusiasts, who wanted to fight climate change and pollution by eliminating loss of resources. We knew that to solve it, we had to make it easier and cheaper to optimise technical installations to save both natural resources and money. Back in 2014 it all started. Since then, ReMoni has continued to grow, thanks to national and international projects, and not at least our very competent group of private investors.

The ReMoni Board

Kenneth Iversen is Chairman and co-owner. Kenneth has more than 30 years' experience as CEO for a Unimerco, where he successful build a strong large company based on market leading solutions, led by solid values and high integrity.

Jannik Kruse Petersen is board member. Jannik has been involved in the Danish business environment since 1992 as owner, board member, director and real owner in 22 different Danish companies. Jannik is currently active in 89 companies and holds 2 directorships and 7 board positions.

Bo Eskerod Madsen is CEO and co-owner. Bo has a background as leader in R&D heavy organisations, where his area has been the transformation of deep R&D knowledge to market ready products. Bo holds a PhD in statistical data analysis (Artificial Intelligence) from Aarhus University, Denmark, and University of Auckland, New Zealand.

Figure 3. The 2022 board of ReMoni. Left: Bo Eskerod Madsen; Mid: Kenneth Iversen; Right: Jannik Kruse Petersen.

The ReMoni group

Focus on the Danish market and starting international expansion

Today, ReMoni consists of ReMoni A/S, which is the mother company holding the IP rights, and own our subsidiaries 100 %, i.e.:

- ReMoni Denmark A/S (Denmark).
- ReMoni Norway AS (Norway).
- ReMoni, INC. (USA).
- ReMoni Technologies RO SRL (Romania)

We have established subsidiaries in multiple countries, to set up the product trade in separate entities, like we plan to do in other countries. ReMoni has its main activities in Denmark in 2021 but will expand international in the coming years, mainly through our international partnerships.

In the coming year our Romanian entity will also be built up on production, development, and operation.

Production

Slim and agile production chain

The ReMoni products are designed for high flexibility and scalability. A significant part of this design is the ultra-small assembly and test line: each assembly line requires only 10 m^2, and is very cost-efficient to make; still, it has a capacity of up till 200.000 units a year.

The components used in the products are by-design made so they can be assembled by thousands of competing subcontractors around the world. We use this setup to ensure competing parallel supply chains – both for supply line stability and cost-efficiency.

It also means that the production can efficiently be scaled up with the market demand.

The organisation

A strong development team and growing sales and production organisation

The ReMoni development team is strong. We are very glad and humble that we have continuously been able to attract and maintain strong team members. The development teams consist of 17 inhouse developers.

Now we are building up a similar strong team on operation, sales, service, marketing and finance, to match the growing commercial sales, and further strengthen the production team.

By end of 2021 we are in total 29 employees in ReMoni.

Development in activities and finances

New co-ownership, new products, and component shortage

The year has been characterised by:

1. A group of four new very competent co-owners of ReMoni have joint us 2021. The four strong profiles are well known in Danish business and consists of Henning Kruse Pedersen, Jannik Kruse Pedersen, Erik G. Hansen, and Christian & Sisse Rasmussen.

2. The ReSave concept has been successful implemented for building optimisation. ReSave differ from by using the ReMoni technology to establish very extensive monitoring of the buildings, using hundreds of measurement points, and thereby give the customers a security that the savings superseding the ReSave investment.

3. We have strengthened our product platform with both new and optimized products, to extend it for our new business concept ReSave, and move towards our goal of comprehensive legal metering of energy and water resources.

4. The team has been strengthened significant with new colleagues in both operation, service and development.

5. Unfortunately, we have also been affected by the widespread component shortage in 2021. Our slim and flexible product design, and our internal tool shop for rapid prototyping has been great assets in addressing the component shortage, but it has still taken up significant resources and time, and have therefore had negative financial impacts on the year. We expect that the shortage will impact negative in the first two quarters of 2022 as well, whereafter we expect that our initiatives to circumvent the issue are fully effective.

6. The Corona Covid-19 restrictions have had a negative impact as well in 2021, but fortunately less than the year before. For ReMoni there has been no governmental support to compensate for the Covid-19 restriction costs, and it has therefore had a negative financial impact.

Financial highlights

1. Profit after tax for the year amounts to DKK 3,5 million (2020: DKK 1,5 million).

2. The remaining depts have been paid, so the company is now dept-free.

3. The 130 % tax deduction for R&D expenses has added positive to the result of the year, because we invest intensively in our patented technology platform.

4. During the year the ReMoni A/S have capitalized development costs amounting to DKK 13,1 million consisting of staff costs amounting to DKK 9,6 million, external costs amounting to DKK 3,3 million and financial costs amounting to DKK 0,2 million. Further ReMoni A/S have received net DKK 3,8 million in grants, which have been recognised under deferred income in the balance sheet.

5. As a part of new shareholder investments, ReMoni A/S has received a net capital increase of DKK 30 million, whereof some are placed in the daughter companies, some in stocks and some for repay all remaining depts.

6. We have won a project of DKK 23,4 million to support the build up of our Romanian entity, and further strengthen our international university partnerships.

Business performance principle

According to business performance principle the equity at 31 December 2021 amounts to DKK 88,7 million.

The Company has received government grants provided on the basis of incurred development costs. The Company capitalises certain development costs. The grants obtained are earned and irrevocable by the government.

As grants are fully earned, management considers them from a capital management perspective as part of equity (business performance principle).

From an accounting perspective, accounting regulations require that grants related to asset investments are initially recognised as deferred income and are subsequently recognised straight-line in the income statement over the amortisation period of the assets to which the grants relate. This means that the grants will only affect equity as the assets are being amortised.

In accordance with our business performance principle, we find it more appropriate to present irrevocable public grants as part of equity, similar to share-holder contributions. Therefore, under the business performance principle, we present the grants obtained as part of the raising of capital.

There are no other differences between the business performance principle and the accounting policies.

The business performance principle are included in the balance sheet page 15.

Outlook

Focus on development of business and products in 2023 to 2025.

For 2022 ReMoni A/S and our subsidies expects to spend DKK 12 million on R&D projects.

In the coming years, the core focus of ReMoni will be:

1. To develop the ReSave concept for more customer segments, hereunder multiple segments within production, and thereby strengthen the revenue from commercial services national and international.

2. Develop our core patented clamp-on sensors and data cloud platform towards comprehensive legal metering of power, water, heat and cooling, form the outside of the existing cables and pipes. This development will follow the pace of our financial capabilities to finance it. The development areas all build on the same core technology, and encounter:

    a. Measure power consumption/production from the outside of existing multi-conductor cables, and thereby obtain cost-efficient monitoring to achieve higher productivity of the monitored units.

    b. Measure flow of water/fluids from the outside of existing pipes.

    c. Measure flow of heat/cooling from the outside of existing pipes.

    d. Establishing a redundant self-healing wireless network around the sensors, to ensure unprecedented network stability.

    e. Extend our cloud platform to support the new family of resource saving analysis modules and user centric dashboards.

    The core secret in this patented solution is to combine the clamp-on sensors with the cloud-based math (Artificial Intelligence) to map the "non-sense" data acquired by the clamp-on sensors into the actual underlying flows and signals, and to optimise the technical installations in buildings, production and utility grids.

Both the commercial outlook and the outlook for our technology platform gives us great confidence and optimism for the future. We have a strong development team, a strong ownership and a solution which is perfect aligned with the international green sustainability megatrend

Financial capacity

Strong financial reserves

Due to the new investments raised the financial reserves are very solid, as shown in the financial statements. Furthermore, we have won a few larger projects for delivery in 2022/2023.

It means that there are more than sufficient reserves and liquidity to ensure financial stability till the general assembly in 2023 and beyond.

Events after the balance sheet date

No significant events

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

Awards

We have received several awards and won grants for our novel technology.

We won the InnoBooster from the Danish Innovation Fund, in order to support our flow metering solution FlowMoni.

ReMoni won the INCENSe price as one of the most innovative start-ups i Europe. INternet Cleantech ENablers Spark (INCENSe) aims to foster innovation and high-tech employment in the European Energy Sector through the provision of funding and top level acceleration services, to support entrepreneurs in the creation of innovative market-oriented solutions able to make energy smarter, reliable and efficient.

We have won the highly competitive Fast Track To Innovation grant from the European Union's Horizon 2020 research and innovation program under grant agreement No 958600.

We have won the Eurostars. Eurostars is an inter European program that supports highly innovative small and medium size enterprises developing innovative products.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		937,165	254,073
Staff costs	2	-667,612	-757,814
Depreciation, amortisation and impairment losses		-506,807	-390,700
Operating profit		-237,254	-894,441
Income from equity investments in group entities		2,932,798	1,527,956
Other financial income		0	174,495
Other financial expenses		-101,430	-88,083
Profit before tax		2,594,114	719,927
Tax on profit	3	862,399	751,891
Profit for the year		3,456,513	1,471,818

Proposed distribution of profit

Reserve for development costs	9,963,780	7,180,240
Reserve for net revaluation under equity method	2,932,798	1,527,956
Retained earnings	-9,440,065	-7,236,378
	3,456,513	1,471,818

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2021	2020
ASSETS			
Fixed assets			
Intangible assets	4		
Completed development projects		17,610,696	8,206,715
Acquired patents		1,263,775	1,142,278
Development projects in progress		35,969,929	32,599,834
		54,844,400	41,948,827
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		0	58,431
		0	58,431
Investments	6		
Equity investments in group entities		4,868,142	1,935,043
Deposits		248,900	60,000
		5,117,042	1,995,043
Total fixed assets		59,961,442	44,002,301
Current assets			
Receivables			
Receivables from group entities		458,563	387,848
Receivable grants	7	3,074,617	1,239,538
Other receivables		363,532	259,890
Corporation tax		2,926,676	1,395,807
Prepayments		184,069	0
		7,007,457	3,283,083
Cash at bank and in hand		29,769,933	16,687,370
Total current assets		36,777,390	19,970,453
TOTAL ASSETS		96,738,832	63,972,754

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021 Business perfor-mance	Adjust-ments	31/12 2021	31/12 2020
EQUITY AND LIABILITIES					
Equity	8,9				
Contributed capital		3,083,764		3,083,764	2,399,537
Reserve for net revaluation under equity method		4,794,243		4,794,243	1,861,445
Reserve for development costs		41,792,888		41,792,888	31,829,108
Deferred income		26,857,147	-26,857,147	0	0
Retained earnings		12,206,270		12,206,268	-7,027,056
Total equity		88,734,312	-26,857,147	61,877,163	29,063,034
Provisions					
Deferred tax		5,906,751	0	5,906,751	3,053,329
Total provisions		5,906,751	0	5,906,751	3,053,329
Liabilities other than provisions					
Non-current liabilities other than provisions	10				
Subordinate loan capital		0	0	0	2,500,000
Other payables		592,785	0	592,785	0
Deferred income	11	0	26,113,308	26,113,308	22,847,730
		592,785	26,113,308	26,706,093	25,347,730

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021 Business perfor-mance	Adjust-ments	31/12 2021	31/12 2020
Current liabilities other than provisions					
Current portion of non-current liabilities	10	0	743,839	743,839	190,000
Bank loans		0	0	0	114,922
Other credit institutions		0	0	0	4,583,333
Trade payables		295,578	0	295,578	125,411
Other payables		1,209,406	0	1,209,408	1,494,995
		1,504,984	743,839	2,248,825	6,508,661
Total liabilities other than provisions		2,097,769	26,857,147	28,954,918	31,856,391
TOTAL EQUITY AND LIABILITIES		96,738,832	0	96,738,832	63,972,754

Business performance principle

The Company has received government grants provided on the basis of incurred development costs. The Company capitalises certain development costs. The grants obtained are earned and irrevocable by the government.

As grants are fully earned, Management considers them from a capital management perspective as part of equity (business performance principle). From an accounting perspective, accounting regulations require that grants related to asset investments are initially recognised as deferred income and are subsequently recognised straight-line in the income statement over the amortisation period of the assets to which the grants relate. This means that the grants will only affect equity as the assets are amortised.

In accordance with our business performance principle, we find it more appropriate to present irrevocable public grants as part of equity, similar to shareholder contributions. Therefore, under the business performance principle, we present the grants obtained as part of the raising of capital.

There are no other differences between the business performance principle and the accounting policies.

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contri-buted capital	Reserve for net revaluation under equity method	Reserve for develop-ment costs	Retained earnings	Total equity
Equity at 1 January 2021	2,399,537	1,861,445	31,829,108	-7,027,056	29,063,034
Cash capital increase	333,764	0	0	29,666,236	30,000,000
Transferred to contributed capital	350,463	0	0	-350,463	0
Acquisition of own shares	0	0	0	-642,384	-642,384
Transferred over the profit appropriation	0	2,932,798	9,963,780	-9,440,065	3,456,513
Equity at 31 December 2021	3,083,764	4,794,243	41,792,888	12,206,268	61,877,163

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2021	2020
Profit before tax for the year		2,594,114	719,927
Depreciation, amortisation and impairment losses		506,807	390,700
Other adjustments of non-cash operating items	12	-2,272,518	-1,614,368
Cash generated from operations before changes in working capital		828,403	-503,741
Changes in working capital	13	2,103,274	4,807,483
Cash generated from operations		2,931,677	4,303,742
Interest income		0	174,495
Interest expense		-101,430	-88,083
Corporation tax paid		1,626,106	-74,712
Cash flows from operating activities		4,456,353	4,315,442
Capitalization of intangible assets		-13,343,950	-10,731,747
Acquisition of subsidiaries and activities		-301	0
Payment of deposit		-188,900	0
Cash flows from investing activities		-13,533,151	-10,731,747
External financing:			
Repayment of long-term debt		-7,083,333	-2,934,972
Shareholders:			
Contribution of capital		30,000,000	30,000,000
Acquisition of treasury shares		-624,384	-5,200,000
Cash flows from financing activities		22,292,283	21,865,028
Cash flows for the year		13,215,485	15,448,723
Cash and cash equivalents at the beginning of the year		16,572,448	1,123,725
Cash and cash equivalents at year end		29,787,933	16,572,448

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1 Accounting policies

The annual report of ReMoni A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

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.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Income statement

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue from the sale of goods where installation is a condition for major risks being considered transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed upon the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the relative current cost approach. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

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1 Accounting policies (continued)

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Revenue from the sale of services, is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Own work capitalised

Own work capitalised comprises staff costs and other costs including financial costs incurred in the financial year and recognised in the cost of proprietary intangible assets.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

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1 Accounting policies (continued)

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.

Balance sheet

Intangible assets

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 measured reliably 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.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 10-20 years.

The amortisation period of 20 years relates to basic research as mathematical algorithms for all future products

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 20 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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.

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1 Accounting policies (continued)

Property, plant and equipment

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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	5 years

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

Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

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1 Accounting policies (continued)

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.

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.

Equity

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of associates in proportion to cost.

Dividends that expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, 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 developments 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.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

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Notes

1 Accounting policies (continued)

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

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2 Staff costs

DKK	2021	2020
Wages and salaries	9,676,568	6,269,815
Pensions	496,391	451,627
Other social security costs	163,052	71,592
Capitalised staff costs as development projects	-9,668,399	-6,035,220
	667,612	757,814
Average number of full-time employees	20	15

The Company has an incentive scheme where employees have the possibility to receive a part of the salary as shares.

3 Tax on profit for the year

DKK	2021	2020
Current tax for the year	-3,715,821	-1,622,220
Change in deferred tax	2,853,422	870,329
	-862,399	-751,891

ReMoni

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4 Intangible assets

DKK	Completed development projects	Acquired patents	Development projects in progress	Total
Cost at 1 January 2021	9,485,645	1,269,178	32,599,834	43,354,657
Additions	0	189,114	13,154,836	13,343,950
Transferred	9,784,741	0	-9,784,741	0
Cost at 31 December 2021	19,270,386	1,458,292	35,969,929	56,698,607
Amortisation and impairment losses at 1 January 2021	-1,278,930	-126,900	0	-1,405,830
Amortisation for the year	-380,760	-67,617	0	-448,377
Amortisation and impairment losses at 31 December 2021	-1,659,690	-194,517	0	-1,854,207
Carrying amount at 31 December 2021	17,610,696	1,263,775	35,969,929	54,844,400

Completed development projects

The capitalised development costs relate to various new products in progress for monitoring of technical installations in professional buildings in order to reap operating as well as environmental profits.

The Company has received grants provided on the basis of capitalised intangible assets. The grants received are recognised in the financial statements under deferred assets.

5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	108,208
Cost at 31 December 2021	108,208
Depreciation and impairment losses at 1 January 2021	-49,777
Depreciation for the year	-58,431
Depreciation and impairment losses at 31 December 2021	-108,208
Carrying amount at 31 December 2021	0

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6 Investments

DKK	Investments in group entities	Deposits
Cost at 1 January 2021	73,597	60,000
Additions for the year	301	188,900
Cost at 31 December 2021	73,898	248,900
Revaluations at 1 January 2021	1,861,446	0
Share of profit for the year	2,932,798	0
Revaluations at 31 December 2021	4,794,244	0
Carrying amount at 31 December 2021	4,868,142	248,900

Name/legal form	Registered office	Equity interest
Subsidiaries:		
ReMoni Danmark A/S	Skanderborg, Denmark	100%
ReMoni Norge AS	Enebakk, Norway	100%
ReMoni Technologies RO S.R.L	Iasi, Romania	100%

7 Receivable grants

The total value of receivable grants contracts amounts to DKK 4,417 thousand.

8 Treasury shares

DKK	Number	Nominal value	Share of contributed capital
Portfolio of treasury shares:			
Treasury shares	79,888	79,888	2,59%

During the year, the Company repurchased treasury shares amounting to DKK 642 thousand, nom. 642.

9 Equity

Contributed capital consists of 3,083,764 shares of a nom. value of DKK 1 each.

During the year, 684,227 new equity investments of nom. DKK 1 have been subscribed for.

All shares rank equally.

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10 Non-current liabilities other than provisions

DKK	2021	2020
Subordinate loan capital can be specified as follows:		
0-1 years	0	2,500,000
Other payables, including taxes payable:		
1-5 years	592,785	0
Deferred income:		
0-1 years	743,839	190,000
1-5 years	26,113,308	22,847,730
	26,857,147	23,037,730

The Company has no liabilities which is outstanding after five years other than deferred income. The Company has deferred income consisting of grants received relating to capitalised development projects. Since the deferred income relates to projects in progress, it is not possible to determine how much is outstanding after five years.

11 Long-term deferred income

Deferred income of DKK 26,857 thousand (2020: DKK 23,038 thousand) comprise grants received relating to capitalised development projects in progress, see note 4. The grants received are not subject to repayment but will be amortised as the related development project is amortised.

DKK'000	2021	2020
13 Other adjustments		
Other financial income	0	-174,495
Financial expenses	101,430	88,083
Income from equity investments	-2,932,798	-1,527,956
Other	558,850	0
	-2,272,518	-1,614,368

14 Changes in working capital

Change in receivable grants	-1,835,079	-543,432
Change in other receivables	-103,643	-183,558
Change in prepayments	-184,069	4,231
Change in trade and other payables	406,648	212,619
Change in deferred income	3,819,417	5,317,623
	2,103,274	4,807,483

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12 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into rent agreements with a residual term of up to 42 months. The liability at 31 December 2021 is total DKK 1.353 thousand.