



Unisense Holding 2 A/S

Langdyssen 5
8200 Aarhus N
CVR No. 35257683

Annual report 2022

The Annual General Meeting adopted the
annual report on 03.05.2023

Lars Riis Damgaard

Chairman of the General Meeting

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Entity details

Entity

Unisense Holding 2 A/S

Langdyssen 5

8200 Aarhus N

Business Registration No.: 35257683

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Carl Erik Skovgaard, chairman

Flemming Besenbacher

Michael Reeslev

Ole Pedersen

Lars Rabe Tønnesen

Executive Board

Thomas Rattenborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Unisense Holding 2 A/S for the financial year 01.01.2022 - 31.12.2022.

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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Aarhus, 23.03.2023

Executive Board

Thomas Rattenborg

Board of Directors

Carl Erik Skovgaard
chairman

Flemming Besenbacher

Michael Reeslev

Ole Pedersen

Lars Rabe Tønnesen

Independent auditor's report

To the shareholders of Unisense Holding 2 A/S

Opinion

We have audited the financial statements of Unisense Holding 2 A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 23.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Sune Pagh Sølvsteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Primary activities

The objects of the company are to hold shares in companies within biotech and medtech, exercise group management and carry out capital investment in securities, and other business derived from this or connected herewith.

Development in activities and finances

Unisense Holding 2 A/S was established in 2013, and has investments in two unlisted companies, namely Unisense A/S and SulfiLogger A/S. Unisense Holding 2/S owns 100% of Unisense A/S and 65.3% of SulfiLogger A/S.

Unisense A/S owns 100% of Unisense Environment A/S.

The valuation follows the same practice as in previous years, to which it should be noted that the turnover of the company's shares is very modest and estimation of an actual market price is therefore associated with relatively high uncertainty, which thus also applies to Unisense Holding 2 A/S net worth.

Unisense A/S and Unisense Environment A/S are valued as 7x the average of normalized EBITDA for the last realized financial year and the current budget year, minus the average interest-bearing debt for the same two years. The interest-bearing debt has been adjusted for 100% intra-group loan balances.

SulfiLogger A/S is valued based on the company's estimated fair value.

The company's intrinsic value per 31.12.2022 amounts to DKK 89,270,182, which corresponds to a share price per share worth DKK 1 of 164.18.

In 2022, Unisense A/S realized an operating result before depreciation of DKK 7,908,979.

In 2022, Unisense Environment A/S realized an operating profit before depreciation of DKK 4,057,016.

Unisense A/S mainly sells sensor systems for research applications and monitoring. Turnover from sales of sensor systems grew by 20% in comparison with the year before. The operating profit from business activities before depreciation, amortization and impairment losses was DKK 7,908,979, and operating profit was DKK 6,826,264. Earnings from activities in daughter company Unisense Environment A/S was DKK 1,934,980. Total earning of the year was DKK 7,818,699.

The NitraFlow sensor research development program is progressing well and is expected to be further accelerated in the coming year.

Unisense Environment A/S mainly sells nitrous oxide sensor systems for monitoring and mitigating nitrous oxide in wastewater. Focus on mitigating N₂O emission from water utilities is growing worldwide, and net revenue from sales of nitrous oxide sensor systems increased 72% in comparison with the year before. The operating profit from business activities before depreciation, amortization and impairment losses was DKK 4,057,016 and operating profit was DKK 2,803,052. Total earning of the year was DKK 1,934,980.

Both Unisense A/S and Unisense Environment A/S expect a positive financial result for the coming financial year.

SulfiLogger A/S develops, produces, and sells sensors for industrial applications such as measurement of H₂S in wastewater, biogas and oil&gas. The company is expected to launch sensors for new industrial markets in the coming years, including industrial sensors for measuring H₂. SulfiLogger A/S has delivered a satisfactory result in 2022.

Unisense Holding 2 A/S itself has had no other activities in 2022. Total earning of the year was DKK 3,453,314.

Uncertainty relating to recognition and measurement

The company's shares in the affiliated company, Unisense A/S (and including shares in Unisense Environment A/S) and in SulfiLogger A/S are measured at fair value. Trading in the shares is modest, and as a result of which the estimation of fair values is associated with estimates and significant uncertainty.

The value adjustment for the year amounts to DKK 28.9 million.

Events after the balance sheet date

Unisense Holding 2 A/S is expected to be split into two new holding companies representing the Unisense companies and SulfiLogger companies, respectively, at the annual general meeting 2023 with effective date of January 1st 2023.

The employee share scheme of 35.000 warrants over five years from 2022 to 2026 has run for 1 year, and 29.120 warrants remains in the program and is expected to be fully utilized going forward. The employee share scheme will be adjusted and continue in the new Unisense Holding.

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

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		(156,657)	(86,803)
Staff costs	2	(75,000)	0
Operating profit/loss		(231,657)	(86,803)
Income from investments in group enterprises		3,700,000	3,100,000
Other financial income from group enterprises		0	8,680
Financial expenses from group enterprises		(53,159)	(26,250)
Other financial expenses		(52,484)	(32,563)
Profit/loss before tax		3,362,700	2,963,064
Tax on profit/loss for the year	3	90,614	26,000
Profit/loss for the year		3,453,314	2,989,064
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		5,000,000	0
Retained earnings		(1,546,686)	2,989,064
Proposed distribution of profit and loss		3,453,314	2,989,064

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		91,061,177	55,808,562
Financial assets	4	91,061,177	55,808,562
Fixed assets		91,061,177	55,808,562
Other receivables		10,000	10,000
Joint taxation contribution receivable		2,379,000	1,573,000
Receivables		2,389,000	1,583,000
Cash		141,039	1,058,693
Current assets		2,530,039	2,641,693
Assets		93,591,216	58,450,255

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	5	543,725	537,845
Revaluation reserve		38,082,107	9,175,328
Retained earnings		45,644,350	46,990,293
Proposed dividend		5,000,000	0
Equity		89,270,182	56,703,466
Trade payables		40,000	40,000
Payables to group enterprises		1,955,034	169,789
Income tax payable		368,000	641,000
Joint taxation contribution payable		1,958,000	896,000
Current liabilities other than provisions		4,321,034	1,746,789
Liabilities other than provisions		4,321,034	1,746,789
Equity and liabilities		93,591,216	58,450,255
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	6		

Statement of changes in equity for 2022

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	537,845	9,175,328	46,990,293	0	56,703,466
Increase of capital	5,880	0	200,743	0	206,623
Value adjustments	0	0	28,906,779	0	28,906,779
Transfer to reserves	0	28,906,779	(28,906,779)	0	0
Profit/loss for the year	0	0	(1,546,686)	5,000,000	3,453,314
Equity end of year	543,725	38,082,107	45,644,350	5,000,000	89,270,182

Notes

1 Uncertainty relating to recognition and measurement

The company's shares in the affiliated company, Unisense A/S (and including shares in Unisense Environment A/S) and in Sulfilogger A/S are measured at fair value. Trading in the shares is modest, and as a result of which the estimation of fair values is associated with estimates and significant uncertainty.

The value adjustment for the year amounts to DKK 28.9 million. See note 4.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	75,000	0
	75,000	0
Average number of full-time employees	0	0

3 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Change in deferred tax	0	8,000
Refund in joint taxation arrangement	(90,614)	(34,000)
	(90,614)	(26,000)

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	46,633,234
Additions	6,345,836
Cost end of year	52,979,070
Revaluations beginning of year	9,175,328
Fair value adjustments	28,906,779
Revaluations end of year	38,082,107
Carrying amount end of year	91,061,177

Unisense A/S (including subsidiary Unisense Environment A/S) are valued as 7x the average of normalized EBITDA for the last realized financial year and the current budget year, minus the average interest-bearing debt for the same two years. The interest-bearing debt has been adjusted for 100% intra-group loan balances.

SulfiLogger A/S is valued based on the company's estimated fair value.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Unisense A/S	Aarhus	A/S	100.00
Sulfilogger A/S	Aarhus	A/S	65.32

5 Share capital

	Number	Nominal value DKK
Shares	543,725	543,725
	543,725	543,725

A share option scheme according to which a right to subscribe for up to 35,000 new shares (DKK 35,000) in the Company has been established. At 31.12.2022 a total of DKK 5,880 has been earned.

Warrants must be exercised no later than May 16th 2026.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Accounting policies

Reporting class

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

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

Consolidated financial statements

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Gross profit or loss

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

Other external expenses

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

recognised in current assets.

Staff costs

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

Income from investments in group enterprises

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

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Financial expenses from group enterprises

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

Other financial expenses

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

Tax on profit/loss for the year

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

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

Balance sheet**Investments in group enterprises**

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

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

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

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

Receivables

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

Joint taxation contributions receivable or payable

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

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.