BEIERHOLM
VI SKABER BALANCE

Nordic Power Converters Aps

Smedeholm 13 A 1 th, 2730 Herlev

CVR no. 36 05 26 51

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 01.06.23

Mickey Pierre Madsen
Dirigent

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Company information etc.

The company

Nordic Power Converters Aps
Smedeholm 13 A 1 th
2730 Herlev
Tel.: 60 63 06 70
Website: www.NordicPowerConverters.com
Registered office: Herlev
CVR no.: 36 05 26 51
Financial year: 01.01 - 31.12

Executive Board

Mickey Pierre Madsen

Board of Directors

Thomas Evers Christensen
Mickey Pierre Madsen
Claus Jarlgaard Jensen
Finn Halken

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Nordic Power Converters Aps.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.22 and of the results of the company's activities for the financial year 01.01.22 - 31.12.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Herlev, June 1, 2023

Executive Board

Mickey Pierre Madsen

Board of Directors

Thomas Evers Christensen
Chairman

Mickey Pierre Madsen

Claus Jarlgaard Jensen

Finn Halken

To the capital owner of Nordic Power Converters Aps

Opinion

We have audited the financial statements of Nordic Power Converters Aps for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.22 and of the results of the company's operations for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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.

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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 regarding 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 audit 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 audit, or otherwise appears to be materially misstated.

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

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

Soeborg, Copenhagen, June 1, 2023

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Ole Skou
State Authorized Public Accountant
MNE-no. mne15007

Primary activities

Nordic Power Converters ApS' purpose is to research, develop and produce power supplies with a breakthrough technology. The Company develops cutting-edge power supplies with the expectation to set new standards for power conversion in billions of everyday products starting with LED lights. The innovative technology platform is set to enable five times smaller power supplies, double the lifetime compared to existing technology, and to offer various other benefits.

Development in activities and financial affairs

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK -11,875,399 against DKK -7,039,531 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK -3,128,081.

The management considers the net profit for the year to be unsatisfactory.

Information on going concern

The company has lost its capital. The capital have been reestablished through capital increase in the beginning of Januar 2023. The capital increase have add 4.7 mDKK in cash to operation.

Subsequent events

After the balance sheet date, the company has increased its capital from tDKK 231 to tDKK 330. The capital including premium tDKK 4,739 was fully paid in february 2023. Besides capital increase no other important events have occurred after the end of the financial year.

Income statement

Note		2022 DKK	2021 DKK
	Gross loss	**-5,047,734**	**-819,293**
2	Staff costs	-6,478,596	-6,329,832
	Loss before depreciation, amortisation, write-downs and impairment losses	**-11,526,330**	**-7,149,125**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-625,280	-468,027
	Operating loss	**-12,151,610**	**-7,617,152**
	Financial income	31,018	3,123
	Financial expenses	-774,896	-496,000
	Loss before tax	**-12,895,488**	**-8,110,029**
	Tax on loss for the year	1,020,089	1,070,498
	Loss for the year	**-11,875,399**	**-7,039,531**

Proposed appropriation account

	2022 DKK	2021 DKK
Retained earnings	-11,875,399	-7,039,531
Total	**-11,875,399**	**-7,039,531**

Balance sheet

ASSETS

Note		31.12.22 DKK	31.12.21 DKK
	Acquired rights	46,246	84,359
3	**Total intangible assets**	**46,246**	**84,359**
	Plant and machinery	611,162	903,343
4	**Total property, plant and equipment**	**611,162**	**903,343**
5	Deposits	126,765	114,917
	Total investments	**126,765**	**114,917**
	Total non-current assets	**784,173**	**1,102,619**
	Raw materials and consumables	0	8,933
	Manufactured goods and goods for resale	3,840,305	1,277,060
	Prepayments for goods	446,424	0
	Total inventories	**4,286,729**	**1,285,993**
	Trade receivables	403,765	625,983
	Deferred tax asset	50,215	0
	Income tax receivable	1,055,000	1,741,064
	Other receivables	614,878	2,333,133
	Required payment of contributed capital and premium	51,365	0
	Prepayments	232,621	91,982
	Total receivables	**2,407,844**	**4,792,162**
	Cash	**455,251**	**6,041,001**
	Total current assets	**7,149,824**	**12,119,156**
	Total assets	**7,933,997**	**13,221,775**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.22 DKK	31.12.21 DKK
	Share capital	256,668	231,261
	Reserve for share capital and premium not paid	51,365	0
	Retained earnings	-3,436,114	3,451,414
	Total equity	**-3,128,081**	**3,682,675**
6	Lease commitments	0	91,773
6	Other payables	8,421,981	6,497,585
	Total long-term payables	**8,421,981**	**6,589,358**
6	Short-term part of long-term payables	999,630	49,158
	Lease commitments	28,985	0
	Trade payables	1,237,167	516,626
	Other payables	374,315	2,331,159
	Deferred income	0	52,799
	Total short-term payables	**2,640,097**	**2,949,742**
	Total payables	**11,062,078**	**9,539,100**
	Total equity and liabilities	**7,933,997**	**13,221,775**

7 Contingent liabilities
8 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for share capital and premium not paid	Retained earnings	Total equity
Statement of changes in equity for 01.01.22 - 31.12.22					
Balance as at 01.01.22	231,261	0	0	3,451,414	3,682,675
Capital increase	25,407	4,987,871	0	0	5,013,278
Payment of share capital and premium	0	0	51,365	0	51,365
Transfers to/from other reserves	0	-4,987,871	0	4,987,871	0
Net profit/loss for the year	0	0	0	-11,875,399	-11,875,399
Balance as at 31.12.22	256,668	0	51,365	-3,436,114	-3,128,081

The capital increase have been decided the 02.04.2022 where the investors have comitted them to pay the capital increase. The Increase have been registred in 2023 where the last payment of the capital increase is received.

1. Subsequent events

After the balance sheet date, the company has increased its capital from tDKK 231 to tDKK 330. The capital including premium tDKK 4,739 was fully paid in february 2023. Besides capital increase no other important events have occurred after the end of the financial year.

	2022 DKK	2021 DKK
2. Staff costs		
Wages and salaries	6,054,016	6,051,230
Other social security costs	86,978	94,443
Other staff costs	337,602	184,159
Total	6,478,596	6,329,832
Average number of employees during the year	11	12

3. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.22	171,370
Cost as at 31.12.22	171,370
Amortisation and impairment losses as at 01.01.22	-87,011
Amortisation during the year	-38,113
Amortisation and impairment losses as at 31.12.22	-125,124
Carrying amount as at 31.12.22	46,246

4. Property, plant and equipment

Figures in DKK	Plant and machinery
Cost as at 01.01.22	2,297,253
Additions during the year	294,986
Cost as at 31.12.22	2,592,239
Depreciation and impairment losses as at 01.01.22	-1,393,910
Depreciation during the year	-587,167
Depreciation and impairment losses as at 31.12.22	-1,981,077
Carrying amount as at 31.12.22	611,162
Carrying amount of assets held under finance leases as at 31.12.22	28,985

5. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.22	114,917
Additions during the year	11,848
Cost as at 31.12.22	126,765
Carrying amount as at 31.12.22	126,765

6. Long-term payables

Figures in DKK	Repayment first year	Total payables at 31.12.22	Total payables at 31.12.21
Lease commitments	0	0	140,931
Other payables	999,630	9,421,611	6,497,585
Total	999,630	9,421,611	6,638,516

7. Contingent liabilities

Lease commitments

The company has lease agreements with lease obligations amountin to tDKK 125.

8. Charges and security

A foating charge of a total amount of DKK 750k has been provide as security for the Group´s balances with Vækstfonden.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the asset is depreciated or amortised.

9. Accounting policies - continued -

INCOME STATEMENT

Gross loss

Gross loss comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

9. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Acquired rights	2-5	0
Plant and machinery	2-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

9. Accounting policies - continued -

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

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

Property, plant and equipment

Property, plant and equipment comprise plant and machinery.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

9. Accounting policies - continued -

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

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

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

9. Accounting policies - continued -

Cash

Cash includes deposits in bank account.

Equity

Share capital not paid in is/are recognised using the gross method according to which the share capital not paid in is/are recognised and treated as a receivable in the balance sheet. An amount corresponding to the share capital not paid in is reclassified from the item 'Retained earnings' to 'Reserve for share capital not paid in'.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

9. Accounting policies - continued -

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

PENNEO

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Claus Jarlgaard Jensen
Bestyrelse
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IP: 188.94.xxx.xxx
2023-06-01 08:20:40 UTC
Mit ID

Ole Skou
Revisor
På vegne af: Beierholm
Serienummer: CVR:32895468-RID:87323838
IP: 212.98.xxx.xxx
2023-06-01 09:57:28 UTC
NEM ID

Thomas Evers Christensen
Bestyrelse
Serienummer: 6bc236b9-c9f6-4d47-b05a-8aa0b9f5e869
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2023-06-03 19:43:54 UTC
Mit ID

Finn Halken
Bestyrelse
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Mickey Pierre Madsen
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