



## Nordic Power Converters ApS

Smedeholm 13C, 1. tv.  
2730 Herlev  
CVR No. 36052651

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 28.06.2022

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**Mickey Pierre Madsen**

Chairman of the General Meeting

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# Entity details

## Entity

Nordic Power Converters ApS

Smedeholm 13C, 1. tv.

2730 Herlev

Business Registration No.: 36052651

Registered office: Herlev

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Claus Jarlgaard Jensen

Finn Halken

Thomas Evers Christensen

Christian Samsø Dohn

Mickey Pierre Madsen

## Executive Board

Mickey Pierre Madsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordic Power Converters ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Herlev, 23.06.2022

## Executive Board

**Mickey Pierre Madsen**

## Board of Directors

**Claus Jarlgaard Jensen**

**Finn Halken**

**Thomas Evers Christensen**

**Christian Samsø Dohn**

**Mickey Pierre Madsen**

# Independent auditor's extended review report

## To the shareholders of Nordic Power Converters ApS

### Conclusion

We have performed an extended review of the financial statements of Nordic Power Converters ApS for the financial year 01.01.2021 - 31.12.2021, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

Copenhagen, 23.06.2022

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Christian Sanderhage**

State Authorised Public Accountant  
Identification No (MNE) mne23347

# Management commentary

## 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.

## Description of material changes in activities and finances

The team consists of 12 employees plus interns, PhDs and consultants and comprise globally unique knowledge in very high frequency power supplies. The Company had its first patents issued in 2017 and filed additional patent applications in 2018 and 2019 to strengthen its portfolio. In 2019 the company have developed several new innovative solutions and building blocks, enabling a new series of products which was introduced to market late 2019 and was launched in 2020. The development of the products and the corporation with the partners have continued in 2021.

Nordic Power Converters ApS continues and extends the work in several publicly and privately supported and partly funded R&D projects supporting the Company's technology and product roadmap.

## Events after the balance sheet date

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

# Income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(819,294)</b>	<b>432,198</b>
Staff costs	1	(6,329,832)	(5,054,116)
Depreciation, amortisation and impairment losses	2	(468,027)	(312,022)
<b>Operating profit/loss</b>		<b>(7,617,153)</b>	<b>(4,933,940)</b>
Income from investments in group enterprises		0	3,141
Other financial income	3	3,123	10,096
Other financial expenses	4	(496,000)	(294,093)
<b>Profit/loss before tax</b>		<b>(8,110,030)</b>	<b>(5,214,796)</b>
Tax on profit/loss for the year	5	1,070,498	762,163
<b>Profit/loss for the year</b>		<b>(7,039,532)</b>	<b>(4,452,633)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(7,039,532)	(4,452,633)
<b>Proposed distribution of profit and loss</b>		<b>(7,039,532)</b>	<b>(4,452,633)</b>



# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired licences		84,359	1
<b>Intangible assets</b>	6	<b>84,359</b>	<b>1</b>
Other fixtures and fittings, tools and equipment		903,343	718,333
<b>Property, plant and equipment</b>	7	<b>903,343</b>	<b>718,333</b>
Investments in group enterprises		0	208,744
Deposits		114,917	109,277
<b>Financial assets</b>	8	<b>114,917</b>	<b>318,021</b>
<b>Fixed assets</b>		<b>1,102,619</b>	<b>1,036,355</b>
Manufactured goods and goods for resale		1,285,993	54,895
<b>Inventories</b>		<b>1,285,993</b>	<b>54,895</b>
Trade receivables		625,983	470,276
Other receivables		2,333,133	1,700,185
Income tax receivable		1,070,498	0
Joint taxation contribution receivable		670,566	1,387,291
Prepayments		91,982	116,286
<b>Receivables</b>		<b>4,792,162</b>	<b>3,674,038</b>
<b>Cash</b>		<b>6,041,001</b>	<b>5,484,792</b>
<b>Current assets</b>		<b>12,119,156</b>	<b>9,213,725</b>
<b>Assets</b>		<b>13,221,775</b>	<b>10,250,080</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		231,262	193,152
Retained earnings		3,451,413	3,029,007
<b>Equity</b>		<b>3,682,675</b>	<b>3,222,159</b>
Lease liabilities		91,773	51,345
Other payables		6,497,585	4,689,132
<b>Non-current liabilities other than provisions</b>	<b>9</b>	<b>6,589,358</b>	<b>4,740,477</b>
Current portion of non-current liabilities other than provisions	9	49,158	142,324
Trade payables		516,626	271,082
Payables to group enterprises		0	209,630
Other payables	10	2,331,159	1,664,408
Deferred income		52,799	0
<b>Current liabilities other than provisions</b>		<b>2,949,742</b>	<b>2,287,444</b>
<b>Liabilities other than provisions</b>		<b>9,539,100</b>	<b>7,027,921</b>
<b>Equity and liabilities</b>		<b>13,221,775</b>	<b>10,250,080</b>

Assets charged and collateral

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# Statement of changes in equity for 2021

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	193,152	0	3,029,007	3,222,159
Increase of capital	38,110	7,461,938	0	7,500,048
Transferred from share premium	0	(7,461,938)	7,461,938	0
Profit/loss for the year	0	0	(7,039,532)	(7,039,532)
<b>Equity end of year</b>	<b>231,262</b>	<b>0</b>	<b>3,451,413</b>	<b>3,682,675</b>

# Notes

## 1 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	6,051,230	4,884,027
Other social security costs	94,443	75,096
Other staff costs	184,159	94,993
	<b>6,329,832</b>	<b>5,054,116</b>
Average number of full-time employees	12	9

## 2 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	11,061	0
Depreciation of property, plant and equipment	456,966	312,022
	<b>468,027</b>	<b>312,022</b>

## 3 Other financial income

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Exchange rate adjustments	3,123	10,096
	<b>3,123</b>	<b>10,096</b>

## 4 Other financial expenses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	478,539	291,311
Exchange rate adjustments	17,461	2,782
	<b>496,000</b>	<b>294,093</b>

## 5 Tax on profit/loss for the year

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(1,070,498)	0
Adjustment concerning previous years	0	(46,324)
Refund in joint taxation arrangement	0	(715,839)
	<b>(1,070,498)</b>	<b>(762,163)</b>

## 6 Intangible assets

	<b>Acquired licences DKK</b>
Additions	95,420
<b>Cost end of year</b>	<b>95,420</b>
Amortisation for the year	(11,061)
<b>Amortisation and impairment losses end of year</b>	<b>(11,061)</b>
<b>Carrying amount end of year</b>	<b>84,359</b>

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	1,655,277
Additions	641,976
<b>Cost end of year</b>	<b>2,297,253</b>
Depreciation and impairment losses beginning of year	(936,944)
Depreciation for the year	(456,966)
<b>Depreciation and impairment losses end of year</b>	<b>(1,393,910)</b>
<b>Carrying amount end of year</b>	<b>903,343</b>

## 8 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	50,000	109,277
Additions	0	5,640
Disposals	(50,000)	0
<b>Cost end of year</b>	<b>0</b>	<b>114,917</b>
Revaluations beginning of year	158,744	0
Reversal regarding disposals	(158,744)	0
<b>Revaluations end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>114,917</b>

The investment in group enterprises have during the financial year been dissolved.

## 9 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Lease liabilities	49,158	142,324	91,773	0
Other payables	0	0	6,497,585	6,497,585
	<b>49,158</b>	<b>142,324</b>	<b>6,589,358</b>	<b>6,497,585</b>

Other payables consists of holiday pay of tDKK 493 and debt to Vækstfonden of tDKK 6,005.

## 10 Other payables

	2021 DKK	2020 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	358,914	450,814
Holiday pay obligation	130,774	108,656
Other costs payable	1,841,471	1,104,938
	<b>2,331,159</b>	<b>1,664,408</b>

## 11 Assets charged and collateral

A floating charge of a total amount of DKK 750k has been provided as security for the Group's balances with its bank in accordance with section 47c of the Danish Registration of Property Act. Furthermore a floating charge of a total amount of DKK 750k has been provide as security for the Group's balances with Vækstfonden.

# 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.

## 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales, other operating income and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### 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 writedowns of

receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**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 intra-group profits or losses.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line



depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **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 value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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

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

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

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

### **Tax payable or receivable**

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

### **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.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.