
Sensohive Technologies ApS

Wichmandsgade 1, 1., DK-5000 Odense C

Annual Report for 1 January - 31 December 2019

CVR No 36 42 45 40

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
13/07 2020

Casper Bernhøj Harlev
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sensohive Technologies ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Odense, 13 July 2020

Executive Board

Casper Bernhøj Harlev
CEO

Board of Directors

Tobias Ejersbo Petersen
Chairman

Tim Folkmann Larsen

Thomas Juhl

Michael Voss-Jensen

Lars Bong Mønsted Bruun Friis

Kevin Tracy Yuers

Practitioner's Statement on Compilation of Financial Statements

To the Management of Sensohive Technologies ApS

We have compiled the Financial Statements of Sensohive Technologies ApS for the financial year 1 January - 31 December 2019 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Odense, 13 July 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen

statsautoriseret revisor

mne33722

Company Information

The Company

Sensohive Technologies ApS
Wichmandsgade 1, 1.
DK-5000 Odense C

CVR No: 36 42 45 40
Financial period: 1 January - 31 December
Municipality of reg. office: Odense

Board of Directors

Tobias Ejersbo Petersen, Chairman
Tim Folkmann Larsen
Thomas Juhl
Michael Voss-Jensen
Lars Bong Mønsted Bruun Friis
Kevin Tracy Yuers

Executive Board

Casper Bernhøj Harlev

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
DK-5000 Odense C

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		1.824.775	2.788.358
Staff expenses	3	-3.496.528	-2.900.184
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-438.086	-445.239
Profit/loss before financial income and expenses		-2.109.839	-557.065
Financial income		1.343	5.064
Financial expenses		-10.734	-13.027
Profit/loss before tax		-2.119.230	-565.028
Tax on profit/loss for the year	4	471.416	122.656
Net profit/loss for the year		-1.647.814	-442.372

Distribution of profit

Proposed distribution of profit

Retained earnings		-1.647.814	-442.372
		-1.647.814	-442.372

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		366.916	733.832
Acquired patents		45.391	62.847
Development projects in progress		2.234.704	1.102.800
Intangible assets	5	2.647.011	1.899.479
Other fixtures and fittings, tools and equipment		46.644	100.358
Property, plant and equipment	6	46.644	100.358
Investments in subsidiaries	7	50.000	50.000
Fixed asset investments		50.000	50.000
Fixed assets		2.743.655	2.049.837
Inventories		1.154.350	371.396
Trade receivables		851.594	844.629
Other receivables		999.383	132.822
Corporation tax		249.018	242.616
Prepayments		0	73.186
Receivables		2.099.995	1.293.253
Cash at bank and in hand		2.902.648	754.768
Currents assets		6.156.993	2.419.417
Assets		8.900.648	4.469.254

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		98.431	90.000
Reserve for development costs		2.029.264	1.432.573
Retained earnings		3.952.937	2.133.547
Equity	8	6.080.632	3.656.120
Provision for deferred tax		43.013	265.411
Provisions		43.013	265.411
Prepayments received from customers		545.248	0
Trade payables		291.210	322.768
Other payables		455.995	224.955
Deferred income		1.484.550	0
Short-term debt		2.777.003	547.723
Debt		2.777.003	547.723
Liabilities and equity		8.900.648	4.469.254
Subsequent events	1		
Key activities	2		
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Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries", will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year.

At this time, it is not possible to calculate the size of the negative Covid-19 impact.

2 Key activities

The company's key activities are to develop, implement and sell self-produced products and services especially within sensor solutions to industrial applications.

3 Staff expenses

	2019 DKK	2018 DKK
Wages and salaries	3.045.058	2.602.642
Pensions	355.221	223.484
Other social security expenses	49.854	37.064
Other staff expenses	46.395	36.994
	3.496.528	2.900.184
Average number of employees	9	7

4 Tax on profit/loss for the year

Current tax for the year	-249.018	-242.616
Deferred tax for the year	-218.759	119.960
Adjustment of deferred tax concerning previous years	-3.639	0
	-471.416	-122.656

Notes to the Financial Statements

5 Intangible assets

	Completed development projects <u>DKK</u>	Acquired pa- tents <u>DKK</u>	Development projects in progress <u>DKK</u>	Total <u>DKK</u>
Cost at 1 January	1.100.747	87.280	1.102.800	2.290.827
Additions for the year	<u>0</u>	<u>0</u>	<u>1.131.904</u>	<u>1.131.904</u>
Cost at 31 December	<u>1.100.747</u>	<u>87.280</u>	<u>2.234.704</u>	<u>3.422.731</u>
Impairment losses and amortisation at 1 January	366.915	24.433	0	391.348
Amortisation for the year	<u>366.916</u>	<u>17.456</u>	<u>0</u>	<u>384.372</u>
Impairment losses and amortisation at 31 December	<u>733.831</u>	<u>41.889</u>	<u>0</u>	<u>775.720</u>
Carrying amount at 31 December	<u>366.916</u>	<u>45.391</u>	<u>2.234.704</u>	<u>2.647.011</u>
Amortised over	<u>3 years</u>	<u>5 years</u>		

Development projects concern continuous further development and updating of the Sensohive wireless sensor solution and its functionalities, which are done in active dialogue with users and customers. This increases the likelihood that the platform meets customer needs and thus their willingness to remain customers. The projects are proceeding as planned using the resources that management has allocated to product development. As development progresses, it is expected that sales relating to access to the Sensohive wireless sensors will grow while sales will also be initiated in other international markets.

Notes to the Financial Statements

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	182.670
Cost at 31 December	182.670
Impairment losses and depreciation at 1 January	82.312
Depreciation for the year	53.714
Impairment losses and depreciation at 31 December	136.026
Carrying amount at 31 December	46.644
Depreciated over	3 years

7 Investments in subsidiaries

	2019 DKK	2018 DKK
Cost at 1 January	50.000	50.000
Carrying amount at 31 December	50.000	50.000

8 Equity

	Share capital DKK	Share premium account DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity at 1 January	90.000	0	1.432.573	2.133.547	3.656.120
Cash capital increase	8.431	4.063.895	0	0	4.072.326
Development costs for the year	0	0	882.885	-882.885	0
Depreciation, amortisation and impairment for the year	0	0	-286.194	286.194	0
Net profit/loss for the year	0	0	0	-1.647.814	-1.647.814
Transfer from share premium account	0	-4.063.895	0	4.063.895	0
Equity at 31 December	98.431	0	2.029.264	3.952.937	6.080.632

Notes to the Financial Statements

9 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2019.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Sensohive Technologies ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

10 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

10 Accounting Policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Notes to the Financial Statements

10 Accounting Policies (continued)

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the de-

Notes to the Financial Statements

10 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.