Nordsense ApS

Vestergade 2C , 4, DK-1456 København K

Annual Report for 1 January - 31 December 2021

CVR No 36 69 33 47

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 22/06 2022

Anders Engdal
Chairman of the General Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Nordsense ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

Copenhagen, 22 June 2022

Executive Board

Anders Engdal
CEO

The Independent Practitioner's Report

To the Shareholder of Nordsense ApS

Conclusion

We have performed an extended review of the Financial Statements of Nordsense ApS for the financial year 1 January - 31 December 2021, which comprise 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 the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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 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.

Practitioner'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 in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on 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 extended review 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 extended review, 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Hellerup, 22 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kyhnauv
statsautoriseret revisor
mne40028

Company Information

The Company	Nordsense ApS Vestergade 2C , 4 DK-1456 København K Telephone: + 45 40804861 CVR No: 36 69 33 47 Financial period: 1 January - 31 December Incorporated: 24 March 2015 Financial year: 7th financial year Municipality of reg. office: København
Executive Board	Anders Engdal
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Key activities

The Company's principal activity is to develop and offer sensors with different measuring capabilities and accompanying software to visualize the gathered data.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 30,217,475, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 31,675,221.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
Gross profit/loss		**-9.793.887**	**-7.302.432**
Staff expenses	2	-18.298.931	-16.068.155
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.672.629	-294.021
Profit/loss before financial income and expenses		**-29.765.447**	**-23.664.608**
Financial income		223.404	1.520.864
Financial expenses		-3.411.969	-826.965
Profit/loss before tax		**-32.954.012**	**-22.970.709**
Tax on profit/loss for the year		2.736.537	2.010.525
Net profit/loss for the year		**-30.217.475**	**-20.960.184**

Distribution of profit

Proposed distribution of profit

Retained earnings	-30.217.475	-20.960.184
	-30.217.475	**-20.960.184**

Balance Sheet 31 December

Assets

	Note	2021	2020
		DKK	DKK
Plant and machinery		606.978	1.310.573
Other fixtures and fittings, tools and equipment		64.030	42.329
Leasehold improvements		17.488	0
Property, plant and equipment		**688.496**	**1.352.902**
Deposits		441.325	525.868
Fixed asset investments		**441.325**	**525.868**
Fixed assets		**1.129.821**	**1.878.770**
Inventories		**4.425.090**	**873.773**
Trade receivables		711.653	422.213
Other receivables		1.212.571	359.653
Corporation tax		2.736.537	2.010.525
Prepayments		21.533	89.243
Receivables		**4.682.294**	**2.881.634**
Cash at bank and in hand		**3.651.807**	**15.469.197**
Currents assets		**12.759.191**	**19.224.604**
Assets		**13.889.012**	**21.103.374**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		DKK	DKK
Share capital		51.000	51.000
Retained earnings		-31.726.221	-1.508.746
Equity		**-31.675.221**	**-1.457.746**
Credit institutions		20.927.267	0
Payables to group enterprises		18.727.056	16.703.331
Other payables		919.862	691.764
Long-term debt		**40.574.185**	**17.395.095**
Credit institutions		0	9.770
Trade payables		1.967.001	1.214.377
Payables to group enterprises		0	2.052
Deferred income		680.398	772.917
Other payables		2.342.649	3.166.909
Short-term debt		**4.990.048**	**5.166.025**
Debt		**45.564.233**	**22.561.120**
Liabilities and equity		**13.889.012**	**21.103.374**
Capital loss	1		
Contingent assets, liabilities and other financial obligations	3		
Accounting Policies	4		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	51.000	-1.508.746	-1.457.746
Net profit/loss for the year	0	-30.217.475	-30.217.475
Equity at 31 December	**51.000**	**-31.726.221**	**-31.675.221**

Notes to the Financial Statements

1 Capital loss

As of 31 December 2021, the company has lost more than half of the equity. In accordance with the requirements in the Danish Business Act, the Board has prepared a plan on the recapitalisation of the Company. The plan is to recapitalise the Company through its future protifts.

The Company's parent company has pledged to provide the necessary cash to ensure the continued operation of the company for the coming year.

2 Staff expenses

	2021	2020
	DKK	DKK
Wages and salaries	17.557.191	14.997.698
Pensions	413.410	333.533
Other social security expenses	172.271	118.011
Other staff expenses	156.059	618.913
	18.298.931	**16.068.155**
Average number of employees	**22**	**14**

Notes to the Financial Statements

		2021	2020
		DKK	DKK
3	**Contingent assets, liabilities and other financial obligations**		
	Charges and security		
	The following assets have been placed as security with :		
	Liabilities under rental or lease agreements until maturity in total	461.316	1.415.499
	Contingent liabilities		
	There are no contingent liabilities per. December 31, 2021.		

Notes to the Financial Statements

4 Accounting Policies

The Annual Report of Nordsense ApS for 2021 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 2021 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.

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.

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

Notes to the Financial Statements

4 Accounting Policies (continued)

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, 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, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Financial income and expenses

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

Notes to the Financial Statements

4 Accounting Policies (continued)

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.

The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

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:

Plant and machinery	5-7	years
Other fixtures and fittings, tools and equipment	3	years

The fixed assets' residual values are determined at nil.

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.

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

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

Notes to the Financial Statements

4 Accounting Policies (continued)

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 deferred 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.

Notes to the Financial Statements

4 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other 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.