



Nordsense ApS

Amaliegade 6, 4.
1256 København K
CVR No. 36693347

Annual report 2019

The Annual General Meeting adopted the
annual report on 09.07.2020

Anders Engdal

Chairman of the General Meeting

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Entity details

Entity

Nordsense ApS
Amaliegade 6, 4.
1256 København K

CVR No.: 36693347
Registered office: København
Financial year: 01.01.2019 - 31.12.2019

Executive Board

Anders Engdal, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordsense ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Copenhagen, 09.07.2020

Executive Board

Anders Engdal
CEO

Independent auditor's extended review report

To the shareholders of Nordsense ApS

Conclusion

We have performed an extended review of the financial statements of Nordsense ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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 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, 09.07.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Keld Juel Danielsen

State Authorised Public Accountant
Identification No (MNE) mne26741

Management commentary

Primary activities

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

Description of material changes in activities and finances

The Company has realised a loss of 15,520k DKK. As the Company is still in a startup phase the result is acceptable.

A conversion of debt to equity have been performed in the year, in connection with the change of the company from IVS to ApS. The debt conversion performed amounts to 25 mio. DKK.

Although profit of the year has been negative, management has positive expectations for the future and expect a more positive development. The Company's parent company has pledged to provide the necessary cash to ensure the continued operation of the company for the coming year.

Events after the balance sheet date

It is the managements evaluation, that the outbreak for Covid19 after the balance sheet date, have not affected the company in any material effects and is not expected to have any material effects.

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(5,977,499)	(4,631,914)
Staff costs	2	(10,309,059)	(7,301,584)
Depreciation, amortisation and impairment losses	3	(375,309)	(93,810)
Operating profit/loss		(16,661,867)	(12,027,308)
Other financial income	4	59,732	0
Other financial expenses	5	(767,938)	(1,239,009)
Profit/loss before tax		(17,370,073)	(13,266,317)
Tax on profit/loss for the year	6	1,850,302	1,678,446
Profit/loss for the year		(15,519,771)	(11,587,871)
Proposed distribution of profit and loss			
Retained earnings		(15,519,771)	(11,587,871)
Proposed distribution of profit and loss		(15,519,771)	(11,587,871)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Plant and machinery		802,832	0
Other fixtures and fittings, tools and equipment		153,437	145,457
Property, plant and equipment	7	956,269	145,457
Deposits		351,295	270,822
Other financial assets	8	351,295	270,822
Fixed assets		1,307,564	416,279
Manufactured goods and goods for resale		0	75,000
Inventories		0	75,000
Trade receivables		219,323	301,458
Deferred tax		0	5,196
Other receivables		505,293	366,110
Income tax receivable		1,855,498	1,670,207
Receivables		2,580,114	2,342,971
Cash		1,086,506	768,643
Current assets		3,666,620	3,186,614
Assets		4,974,184	3,602,893

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		50,000	1,000
Retained earnings		(7,031,417)	(16,462,646)
Equity		(6,981,417)	(16,461,646)
Payables to group enterprises		8,964,946	17,203,009
Other payables		325,593	0
Non-current liabilities other than provisions	9	9,290,539	17,203,009
Bank loans		27,943	64,697
Trade payables		344,976	500,892
Payables to group enterprises		1,270,328	1,207,718
Payables to shareholders and management		48,000	36,925
Other payables		515,629	1,051,298
Deferred income		458,186	0
Current liabilities other than provisions		2,665,062	2,861,530
Liabilities other than provisions		11,955,601	20,064,539
Equity and liabilities		4,974,184	3,602,893
Going concern	1		
Unrecognised rental and lease commitments	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000	(16,462,646)	(16,461,646)
Increase of capital	49,000	24,951,000	25,000,000
Profit/loss for the year	0	(15,519,771)	(15,519,771)
Equity end of year	50,000	(7,031,417)	(6,981,417)

Notes

1 Going concern

The company's balance sheet at 31 December 2019 shows a deficit on equity of DKK (6,981)K, and the company is operating with a negative cash flow, which is according to plan for the Company.

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 costs

	2019	2018
	DKK	DKK
Wages and salaries	9,601,302	6,954,550
Pension costs	115,143	52,650
Other social security costs	97,002	54,895
Other staff costs	495,612	239,489
	10,309,059	7,301,584
Average number of full-time employees	14	9

3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Depreciation of property, plant and equipment	375,309	93,810
	375,309	93,810

4 Other financial income

	2019	2018
	DKK	DKK
Exchange rate adjustments	59,732	0
	59,732	0

5 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	589,456	501,702
Other interest expenses	4,443	11,378
Exchange rate adjustments	174,039	725,929
	767,938	1,239,009

6 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	(1,855,498)	(1,670,207)
Change in deferred tax	5,196	(8,239)
	(1,850,302)	(1,678,446)

7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	0	294,688
Additions	1,069,619	116,502
Cost end of year	1,069,619	411,190
Depreciation and impairment losses beginning of year	0	(149,231)
Impairment losses for the year	(52,863)	0
Depreciation for the year	(213,924)	(108,522)
Depreciation and impairment losses end of year	(266,787)	(257,753)
Carrying amount end of year	802,832	153,437

8 Financial assets

	Deposits DKK
Cost beginning of year	270,822
Additions	80,473
Cost end of year	351,295
Carrying amount end of year	351,295

9 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Payables to group enterprises	8,964,946
Other payables	325,593
	9,290,539

10 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	220,029	426,778

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 certain 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, 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.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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.

Other financial income

Other financial income comprises interest income, including interest income on net capital or exchange gains on securities, payables and transactions in foreign currencies 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**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.

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:

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

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.

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.

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income 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.

Cash

Cash comprises cash in hand and bank deposits.

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.