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# ***NORDSENSE ApS***

Vendersgade 28, 2. th, DK-1363 København K

## **Annual Report for 2023**

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CVR No. 36 69 33 47

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 25/6 2024

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 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Copenhagen, 25 June 2024

**Executive Board**

Anders Engdal  
CEO

# Independent Practitioner's Extended Review 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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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.

# Independent Practitioner's Extended Review Report

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 Financial 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, 25 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Kyhnav

State Authorised Public Accountant

mne40028

## Company information

### The Company

NORDSENSE ApS  
Vendersgade 28, 2. th  
1363 København K  
Telephone: +45 40804861  
CVR No: 36 69 33 47  
Financial period: 1 January - 31 December  
Incorporated: 24 March 2015  
Financial year: 9th financial year  
Municipality of reg. office: Copenhagen

### Executive Board

Anders Engdal

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's review

The fiscal year 2023 for Nordsense, was a year marked by significant achievements and strategic advancements despite a global recall of sensors. Throughout the year, we remained steadfast in our commitment to revolutionizing waste management through innovative technology solutions.

## Market Overview

The global waste management landscape continued to evolve, driven by increasing urbanization, environmental regulations, and a growing awareness of sustainability. Nordsense positioned itself at the forefront of this transformation, leveraging our smart waste management solutions to drive operational efficiency and environmental sustainability for municipalities and private sector clients worldwide.

## Financial Performance

In fiscal year 2023, Nordsense achieved substantial growth in revenue and at the same time reducing costs to meet our strategy to become profitable in 2025. Our revenue increased by more than 100% compared to the previous year. This growth reflects the successful deployment of our solutions across new geographies and industries, as well as the expansion of our customer base.

A necessary technical improvement of sensors with a global replacement of sensors has been costly but has been successfully completed thanks to an extraordinary effort by the organization and its partners.

## Operational Highlights

During the year, we made significant progress in enhancing our technology platform and expanding our product offerings.

### Key operational highlights include:

#### Product Innovation:

We introduced several new features and enhancements to our smart waste sensors, improving their accuracy, durability, and integration capabilities.

#### Market Expansion:

Nordsense expanded its presence into new international markets, solidifying our position as a global leader in smart waste management solutions.

#### Partnerships and Collaborations:

We forged strategic partnerships with leading waste management companies and haulers, further embedding our technology into the fabric of urban waste management infrastructures.

#### Sustainability Initiatives:

At Nordsense, sustainability is at the core of everything we do. In 2023, we continued to promote sustainable practices through our technology solutions, helping our clients reduce their carbon footprint and optimize waste collection processes. Our commitment to sustainability not only drives operational efficiencies but also aligns with global environmental goals.

## Outlook

Looking ahead, Nordsense is poised for continued growth and innovation. We remain focused on expanding our product portfolio, enhancing our technology platform, and exploring new opportunities in new markets. By staying true to our mission of transforming waste management through technology, we are confident in our ability to deliver long-term value to our shareholders and stakeholders.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross loss</b>		<b>-1,186,520</b>	<b>-6,385,663</b>
Staff expenses	2	-15,622,691	-17,234,170
Depreciation and impairment losses of property, plant and equipment		-2,289,413	-1,449,348
<b>Profit/loss before financial income and expenses</b>		<b>-19,098,624</b>	<b>-25,069,181</b>
Financial income		4,283,925	184,134
Financial expenses	3	-6,444,114	-5,071,027
<b>Profit/loss before tax</b>		<b>-21,258,813</b>	<b>-29,956,074</b>
Tax on profit/loss for the year		1,463,844	1,896,251
<b>Net profit/loss for the year</b>		<b>-19,794,969</b>	<b>-28,059,823</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		-19,794,969	-28,059,823
		<b>-19,794,969</b>	<b>-28,059,823</b>



## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Plant and machinery		9,000,797	7,486,735
Other fixtures and fittings, tools and equipment		6,815	32,718
Leasehold improvements		9,060	13,274
<b>Property, plant and equipment</b>		<b>9,016,672</b>	<b>7,532,727</b>
Deposits		160,598	452,495
<b>Fixed asset investments</b>		<b>160,598</b>	<b>452,495</b>
<b>Fixed assets</b>		<b>9,177,270</b>	<b>7,985,222</b>
Stock		5,291,936	5,427,889
<b>Inventories</b>		<b>5,291,936</b>	<b>5,427,889</b>
Trade receivables		820,754	2,578,021
Other receivables		125,968	196,870
Corporation tax		1,463,844	1,896,251
Prepayments		9,501	22,665
<b>Receivables</b>		<b>2,420,067</b>	<b>4,693,807</b>
<b>Cash at bank and in hand</b>		<b>4,730,140</b>	<b>10,476,315</b>
<b>Current assets</b>		<b>12,442,143</b>	<b>20,598,011</b>
<b>Assets</b>		<b>21,619,413</b>	<b>28,583,233</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		51,000	51,000
Retained earnings		-79,581,013	-59,786,044
<b>Equity</b>		<b>-79,530,013</b>	<b>-59,735,044</b>
Credit institutions		23,942,533	22,050,274
Payables to group enterprises		63,718,364	53,907,716
Other payables		0	919,862
<b>Long-term debt</b>		<b>87,660,897</b>	<b>76,877,852</b>
Prepayments received from customers		69,207	0
Trade payables		403,257	1,065,934
Other payables		1,731,459	2,029,478
Deferred income	4	11,284,606	8,345,013
<b>Short-term debt</b>		<b>13,488,529</b>	<b>11,440,425</b>
<b>Debt</b>		<b>101,149,426</b>	<b>88,318,277</b>
<b>Liabilities and equity</b>		<b>21,619,413</b>	<b>28,583,233</b>
Capital loss	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	51,000	-59,786,044	-59,735,044
Net profit/loss for the year	0	-19,794,969	-19,794,969
<b>Equity at 31 December</b>	<b>51,000</b>	<b>-79,581,013</b>	<b>-79,530,013</b>

# Notes to the Financial Statements

## 1. Capital loss

As of 31 December 2023, 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 profits.

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

	2023	2022
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	13,251,739	16,257,429
Pensions	183,458	356,965
Other social security expenses	169,220	172,313
Other staff expenses	2,018,274	447,463
	<u>15,622,691</u>	<u>17,234,170</u>
Average number of employees	<u>15</u>	<u>19</u>

	2023	2022
	DKK	DKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	2,150,432	1,625,110
Other financial expenses	1,892,576	1,228,081
Exchange adjustments, expenses	2,401,106	2,217,836
	<u>6,444,114</u>	<u>5,071,027</u>

## 4. Deferred income

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

	2023	2022
	DKK	DKK
<b>5. Contingent assets, liabilities and other financial obligations</b>		
Charges and security		
The following assets have been placed as security with		
Liabilities under rental or lease agreements until maturity in total	150,598	437,316

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>5. Contingent assets, liabilities and other financial obligations</b>		
<b>Other contingent liabilities</b>		
There are no contingent liabilities per. December 31, 2023.		

# Notes to the Financial Statements

## 6. Accounting policies

The Annual Report of NORDSENSE ApS for 2023 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 2023 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 transaction date rates are recognised in financial income and expenses in the income statement

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.

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. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

# Notes to the Financial Statements

## 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 loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, 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.

## 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.

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 property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

# Notes to the Financial Statements

## 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 and costs of completion. 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 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.

## Financial liabilities

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.



## Notes to the Financial Statements

### Deferred income

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