



## Freeseense ApS

Fruebjergvej 3  
2100 København Ø  
CVR No. 37268941

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 24.06.2022

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**Niels Jensen**

Chairman of the General Meeting

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# Entity details

## Entity

Freesense ApS

Fruebjergvej 3

2100 København Ø

Business Registration No.: 37268941

Date of foundation: 20.11.2015

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Peter Ulrik Scheel

Niels Jensen

Flemming Würtz Andersen

Søren Starup-Jensen

Steen Skjold-Jørgensen

Ole Kring

## Executive Board

Tue Rasmussen

## 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 Freesense 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.

Copenhagen, 24.06.2022

## Executive Board

**Tue Rasmussen**

## Board of Directors

**Peter Ulrik Scheel**

**Niels Jensen**

**Flemming Würtz Andersen**

**Søren Starup-Jensen**

**Steen Skjold-Jørgensen**

**Ole Kring**

# Independent auditor's report

## To the shareholders of Freesense ApS

### Opinion

We have audited the financial statements of Freesense 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.

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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We refer to note 1 in the financial statements which indicate that the company's continued operations, depends on the realizations of expected growth in income and/or capital injections from investors. Management expect to realizes the growth. If growth is lower than budget, management expect that current and potential new investors will provide additional capital to the company during 2022. Due uncertainty related to both growth budget and conditions related to secure additional capital there is material uncertainty related to going concern.

### 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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 audit 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 audit 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 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 of the management commentary.

Copenhagen, 24.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant

Identification No (MNE) mne33712

**Anders Theilgaard Iversen**

State Authorised Public Accountant

Identification No (MNE) mne47797

# Management commentary

## Primary activities

The company's purpose is to develop, manufacture, market and sell/license sensor technology.

The company's income statement for 2021 shows a loss of DKK 13,304k and the company's balance sheet per 31 December 2021 shows a negative equity of DKK 15,268k.

The Company has lost its share capital and is subject to the provisions of the Danish Companies Act on capital losses. Management expects that the share capital can be re-established through capital increase and/or future earnings.

## Going concern

The company's continued operations, depends on the realizations of expected growth in income and/or capital injections from investors. Management expects to realize the growth. If growth is lower than budget, management expects that current and potential new investors will provide additional capital to the company during 2022.

## Events after the balance sheet date

The due date for the convertible loans of DKK 12.8 million plus interest were extended to 31.01.2023, if the convertible loans are not converted, at an extraordinary general meeting on the 24th June 2022.

No other 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>(4,474,431)</b>	<b>(3,394,430)</b>
Staff costs	2	(8,927,081)	(6,815,366)
Depreciation, amortisation and impairment losses	3	(39,989)	(35,031)
<b>Operating profit/loss</b>		<b>(13,441,501)</b>	<b>(10,244,827)</b>
Other financial expenses	4	(1,512,051)	(279,549)
<b>Profit/loss before tax</b>		<b>(14,953,552)</b>	<b>(10,524,376)</b>
Tax on profit/loss for the year	5	1,649,864	2,311,076
<b>Profit/loss for the year</b>		<b>(13,303,688)</b>	<b>(8,213,300)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(13,303,688)	(8,213,300)
<b>Proposed distribution of profit and loss</b>		<b>(13,303,688)</b>	<b>(8,213,300)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		74,303	114,292
<b>Property, plant and equipment</b>	6	<b>74,303</b>	<b>114,292</b>
Deposits		158,982	158,982
<b>Financial assets</b>		<b>158,982</b>	<b>158,982</b>
<b>Fixed assets</b>		<b>233,285</b>	<b>273,274</b>
Trade receivables		523,340	1,084,333
Other receivables		6,767,945	5,498,994
Income tax receivable		1,649,864	2,311,076
Prepayments		35,920	28,335
<b>Receivables</b>		<b>8,977,069</b>	<b>8,922,738</b>
<b>Cash</b>		<b>8,506,617</b>	<b>3,963,653</b>
<b>Current assets</b>		<b>17,483,686</b>	<b>12,886,391</b>
<b>Assets</b>		<b>17,716,971</b>	<b>13,159,665</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital	7	168,755	168,755
Retained earnings		(15,436,800)	(2,133,112)
<b>Equity</b>		<b>(15,268,045)</b>	<b>(1,964,357)</b>
Debt to other credit institutions		9,251,217	8,821,534
Convertible and dividend-yielding debt instruments		8,206,170	3,913,556
Other payables		821,362	339,466
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>18,278,749</b>	<b>13,074,556</b>
Convertible and dividend-yielding debt instruments	9	12,709,505	0
Trade payables		664,698	890,694
Other payables		1,332,064	847,030
Deferred income		0	311,742
<b>Current liabilities other than provisions</b>		<b>14,706,267</b>	<b>2,049,466</b>
<b>Liabilities other than provisions</b>		<b>32,985,016</b>	<b>15,124,022</b>
<b>Equity and liabilities</b>		<b>17,716,971</b>	<b>13,159,665</b>
Going concern	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

# Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	168,755	(2,133,112)	(1,964,357)
Profit/loss for the year	0	(13,303,688)	(13,303,688)
<b>Equity end of year</b>	<b>168,755</b>	<b>(15,436,800)</b>	<b>(15,268,045)</b>

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 31 December 2022 once or several times to increase the Company's share capital with up to nominally 16,874 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 31 December 2025 once or several times to increase the Company's share capital with up to nominally 20,000 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

# Notes

## 1 Going concern

The company's continued operations, depends on the realizations of expected growth in income and/or capital injections from investors. Management expects to realize the growth. If growth is lower than budget, management expects that current and potential new investors will provide additional capital to the company during 2022.

## 2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	8,813,293	6,732,719
Other social security costs	113,788	82,647
	<b>8,927,081</b>	<b>6,815,366</b>
Average number of full-time employees	<b>13</b>	<b>11</b>

## 3 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Depreciation of property, plant and equipment	39,989	35,031
	<b>39,989</b>	<b>35,031</b>

## 4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	1,518,622	258,715
Exchange rate adjustments	(6,571)	(5,666)
Other financial expenses	0	26,500
	<b>1,512,051</b>	<b>279,549</b>

## 5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(1,649,864)	(2,311,076)
	<b>(1,649,864)</b>	<b>(2,311,076)</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	199,945
<b>Cost end of year</b>	<b>199,945</b>
Depreciation and impairment losses beginning of year	(85,653)
Depreciation for the year	(39,989)
<b>Depreciation and impairment losses end of year</b>	<b>(125,642)</b>
<b>Carrying amount end of year</b>	<b>74,303</b>

## 7 Share capital

	<b>Number</b>
A-shares	55,556
B-shares	113,199
	<b>168,755</b>

## 8 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2021 DKK</b>
Debt to other credit institutions	9,251,217
Convertible and dividend-yielding debt instruments	8,206,170
Other payables	821,362
	<b>18,278,749</b>

The outstanding debt to other credit institutions and convertible loans is amounting to DKK 11.825 million.

## 9 Convertible and dividend-yielding debt instruments

The due date for the convertible loans of DKK 12.8 million plus interest were extended to 31.01.2023, if the convertible loans are not converted, at an extraordinary general meeting on the 24th June 2022.

## 10 Unrecognised rental and lease commitments

	<b>2021 DKK</b>	<b>2020 DKK</b>
Liabilities under rental or lease agreements until maturity in total	1,962,420	2,566,420

**11 Contingent liabilities**

From 1 January 2024 onwards, owners of class B shares may, by a majority of 67% of class B shares, require at any time, within the regulatory framework, that the Company redeems the class B shares at three annual redemptions of equal size. The redemption amount must correspond to the original subscription price paid for the class B shares plus an annual return of 8% from the time of payment until redemption.

**12 Assets charged and collateral**

The company has no assets charged and collateral.

# 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.



When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **Public grants**

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, 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.

#### **Other operating income**

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

#### **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 and impairment losses relating to equipment comprise depreciation and impairment losses for the financial year, and gains and losses from the sale of equipment.

#### **Other financial expenses**

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies.

#### **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

### Tangible fixed assets

Machinery, and 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:

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

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

### 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.

### Prepayments

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

### 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.