



HydroPen

HydroPen ApS

CVR-no. 37 46 40 82

Bautavej 1A
8210 Aarhus V

Annual Report 2020

(Financial year 1 January 2020 - 31 December 2020)

Årsrapporten er fremlagt og godkendt på
selskabets ordinære generalforsamling den
8. februar 2021

Jesper Rosenfeldt Hansen
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2020 - 31 December 2020 for HydroPen ApS.

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

The Annual Report, which is unaudited, has been prepared in accordance with legal requirements. Board of Directors declares that the conditions for waiving the audit are met.

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2020.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Aarhus, 8 February 2021

Executive Board:

Martin Dyrmann
Winkel

Jesper Rosenfeldt
Hansen

Board of Directors:

Steffen Conradsen

Jesper Rosenfeldt
Hansen

Steen Ulf Jensen

The AGM has decided that the financial statements for the next year shall not be audited.

Auditor's Compilation Report

To Shareholders of HydroPen ApS

We have compiled the accompanying financial statements of HydroPen ApS for the financial year 1 January 2020 - 31 December 2020, based on information the management have provided.

The financial statements comprise the income statement, the balance sheet, statement of changes in equity and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise to assist you in the preparation and presentation of these financial statements in accordance with Danish Financial Statements Act. We have complied with the rules in the Danish Audit Act and FSR - danske revisorer's ethic guidelines for auditors, including the principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with Danish Financial Statements Act.

Allerød, 8 February 2021

**Piaster Revisorerne,
Statsautoriseret Revisionsaktieselskab
CVR-nr.: 25 16 00 37**

Kaspar Hartmann-Petersen
State Authorized Public Accountant
mne45833

Company details

Company details	HydroPen ApS Bautavej 1A 8210 Aarhus V
	CVR no.: 37 46 40 82
	Founded: 15 February 2016
	Registered office: Aarhus
	Financial year: 1 January - 31 December
Executive Board	Martin Dyrmann Winkel Jesper Rosenfeldt Hansen
Board of Directors	Steffen Conradsen Jesper Rosenfeldt Hansen Steen Ulf Jensen
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød

Management's Review

Primary activities of the Company

The company's primary activity is to develop technical safety solutions to both the maritime cargo industry and to the adjacent industries, which are closely linked to the maritime cargo industry.

The maritime cargo industry, and the adjacent industries, have for many years experienced a lack of innovations with the field of safety technologies. This company has it as its top priority to increase fire safety within the maritime cargo industry. Further, it is vital for the company to make it safer at sea for both the crew, ship and cargo.

The mindset of the company is to find solutions to safety problems, which have never been solved properly before. This company has it as its main objective to develop innovations that will automate current safety process, enable safety measures which have never been possible before, and to make it safer in general for individuals involved in safety matters within the maritime cargo industry and its adjacent industries.

Development in activities and financial affairs

The company's financial performance is considered satisfying.

The company's activities and general financial performance is expected to continue to grow in the coming financial year.

The company is positive that the financial performance of the coming year will surpass the financial performance of this year.

Significant events occurred after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income Statement 1 January - 31 December

DKK	Notes	2020	2019
Gross profit		5.096.754	1.183.993
Staff costs	1	-1.052.038	-637.218
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-20.060	-20.360
Operating profit		4.024.656	526.415
Financial expenses	3	-15.248	-59.345
Profit before tax		4.009.408	467.070
Tax expense	4	-882.862	-102.000
Profit for the year		3.126.546	365.070
Proposed distribution of results			
Retained earnings		3.126.546	365.070
Proposed dividend recognised in equity		0	0
Total distribution		3.126.546	365.070

Balance Sheet at 31 December

Assets

	Notes	2020	2019
Fixtures, fittings, tools and equipment	5	53.051	64.611
Property, plant and equipment		53.051	64.611
Fixed assets		53.051	64.611
Inventories	6	713.552	535.296
Corporation tax		50.138	0
Other receivables		6.639.813	26.048
Deferred tax assets	7	0	41.000
Receivables		6.689.951	67.048
Cash and cash equivalents		102.163	2.863.248
Current assets		7.505.666	3.465.592
Assets		7.558.717	3.530.203

Balance Sheet at 31 December

Equity and liabilities

	Notes	2020	2019
Share capital		71.383	71.383
Retained earnings		5.277.153	2.150.607
Proposed dividend recognised in equity		0	0
Equity		5.348.536	2.221.990
Provisions for deferred tax	7	12.000	0
Provisions		12.000	0
Payables to group enterprises		0	15.000
Other long-term payables		0	710.026
Long-term liabilities other than provisions	8	0	725.026
Short-term part of long-term liabilities other than provisions	8	710.026	146.604
Trade payables		20.250	71.452
Other payables		1.467.905	365.131
Short-term liabilities other than provisions		2.198.181	583.187
Liabilities other than provisions		2.198.181	1.308.213
Equity and liabilities		7.558.717	3.530.203
Contingent liabilities	9		

Statement of changes in equity 1. January - 31. December

	<u>2020</u>	<u>2019</u>
Share capital		
Beginning balance	71.383	55.555
Increase of capital	0	15.828
End balance	<u>71.383</u>	<u>71.383</u>
Retained earnings		
Beginning balance	2.150.607	-811.135
Profit (loss)	3.126.546	365.070
Transferred from share premium	0	2.596.672
End balance	<u>5.277.153</u>	<u>2.150.607</u>
Proposed dividend recognized in equity		
Beginning balance	0	0
Dividend paid	0	0
Profit (loss)	0	0
End balance	<u>0</u>	<u>0</u>
Equity, ending balance	<u>5.348.536</u>	<u>2.221.990</u>

Notes

	2020	2019
1 Staff costs		
Wages and salaries	981.389	623.889
Post-employment benefit expense	62.060	4.355
Social security contributions	8.589	8.974
	1.052.038	637.218
Average number of full time employees	2	2
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Depreciation, fixtures, fittings, tools and equipment	20.060	20.360
	20.060	20.360
3 Financial expenses		
Other financial expenses	15.248	59.345
	15.248	59.345
4 Tax expense		
Tax expense on ordinary activities	829.862	0
Adjustment of deferred tax	53.000	102.000
	882.862	102.000

Notes

	2020	2019		
5 Fixtures, fittings, tools and equipment				
Cost at 1 January	107.953	97.409		
Additions	8.500	10.544		
Cost at 31 December	116.453	107.953		
Depreciations at 1 January	43.342	22.982		
Depreciation for the year	20.060	20.360		
Depreciations at 31 December	63.402	43.342		
Carrying amount at 31 December	53.051	64.611		
6 Inventories				
Raw materials and consumables	528.058	209.649		
Work in progress	180.009	0		
Prepayments for goods	5.485	325.647		
	713.552	535.296		
7 Provisions for deferred tax				
Deferred tax at 1 January	-41.000	-143.000		
Revaluation of deferred tax this year	53.000	102.000		
	12.000	-41.000		
8 Long-term liabilities other than provisions				
	Total debt 31 December 2020	Repayment next year	Long-term part	Unpaid debt after 5 years
Other long-term payables	710.026	710.026	0	0
	710.026	710.026	0	0

Notes

9 Contingent liabilities

The company's lease can be terminated with 3-6 months' notice. The rental obligation during the non-cancellation period amounts to approx. t.kr. 73.

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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.

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Fixtures, fittings, tools and equipment	3-5 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of finished goods and work in progress comprises the cost of raw materials, direct labor and direct production costs.

The net realisable value of inventories is determined taking into account marketability, obsolescence and development in expected sales price less completion costs and costs incurred

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances

Cash comprises cash balances and bank balances.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Accounting policies

Liabilities

Borrowings are recognized at the time the loans are obtained and are initially measured at the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortized cost, applying the 'effective interest rate method', to the effect that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Other liabilities are measured at amortized cost, corresponding to the nominal value.

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Steen Ulf Jensen

Bestyrelsesmedlem

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IP: 31.3.xxx.xxx

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NEM ID 

Steffen Conradsen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-637352379095

IP: 85.204.xxx.xxx

2021-02-08 12:34:37Z

NEM ID 

Martin Dyrmann Winkel

Direktør

Serienummer: PID:9208-2002-2-859262769205

IP: 94.18.xxx.xxx

2021-02-08 12:59:20Z

NEM ID 

Jesper Rosenfeldt Hansen

Direktør

Serienummer: PID:9208-2002-2-064274417901

IP: 80.62.xxx.xxx

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NEM ID 

Jesper Rosenfeldt Hansen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-064274417901

IP: 80.62.xxx.xxx

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NEM ID 

Jesper Rosenfeldt Hansen

Dirigent

Serienummer: PID:9208-2002-2-064274417901

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NEM ID 

Kaspar Hartmann-Petersen

Revisor

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