CHRISTENSEN
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PERSONLIGT ENGAGEMENT

STATSAUTORISERET
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Senserna A/S

Smedeholm 13 B, 1. th., 2730 Herlev

Company reg. no. 37 85 53 16

Annual report

1 July 2018 - 30 June 2019

The annual report was submitted and approved by the general meeting on the 2 September 2019.

Mads Winblad
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Contents

Management's report

The board of directors and the executive board have today presented the annual report of Senserna A/S for the financial year 1 July 2018 to 30 June 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2019 and of the company's results of its activities in the financial year 1 July 2018 to 30 June 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Herlev, 2 September 2019

Executive board

Henrik Schneider   Kristian Lindberg-Poulsen

Board of directors

Mads Winblad   Henrik Schneider   Otto Tyge Krabbe

Peter Halkjær Jensen   Steen Clausen

Independent auditor's report on extended review

To the shareholders of Senserna A/S

Opinion

We have performed extended review of the annual accounts of Senserna A/S for the financial year 1 July 2018 to 30 June 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 to 30 June 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 2 September 2019

Christensen Kjærulff

Company reg. no. 15 91 56 41

Anders Nielsen
State Authorised Public Accountant
mne42832

Company data

The company	Senserna A/S Smedeholm 13 B, 1. th. 2730 Herlev	
	Company reg. no.	37 85 53 16
	Financial year:	1 July - 30 June
Board of directors	Mads Winblad Henrik Schneider Otto Tyge Krabbe Peter Halkjær Jensen Steen Clausen	
Executive board	Henrik Schneider Kristian Lindberg-Poulsen	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	

The principal activities of the company

The company has developed a unique wireless thermometer to be used in microwave ovens, using microwave energy which means it is free from batteries.

Development in activities and financial matters

The gross loss for the year is DKK -1.302.952 against DKK -751.817 last year. The results from ordinary activities after tax are DKK -2.121.323 against DKK -1.593.143 last year. In the light of the continued technology development alongside the market introduction of the first product, the management consider the results satisfactory.

Research and development activities

During the past year, production of the first product using Microweter Technology has started, and the the first product Milkymeter has been launched in Denmark and in Great Britain. Resources has been put into optimization of supply chain and production.

A public-private initiative with focus on improving the user experience for elderly when warming food in the microwave has been done in cooperation with the Municipality of Copenhagen, in order to gain insight into use scenarios and potential for the technology.

The technology has been further developed to conceptualize the first products for a technology roadmap.

In addition, new patent application has been filed.

The expected development

The coming year will be influenced by further development and refinement of the technology into new products and concepts that will make it possible to get the ideal and homogenious temperature in meals being warmed in a microwave oven, as well as the commercialization of these. While simultaneously continue the scale of the Milkymeter sales including market launch in Germany.

Profit and loss account 1 July - 30 June

All amounts in DKK.

Note		2018/19	2017/18
	Gross loss	**-1.302.952**	**-751.817**
3	Staff costs	-1.386.440	-1.397.714
	Depreciation and writedown relating to fixed assets	-14.172	0
1	Other financial costs	-6.164	-366
	Results before tax	**-2.709.728**	**-2.149.897**
2	Tax on ordinary results	588.405	556.754
	Results for the year	**-2.121.323**	**-1.593.143**
	Proposed distribution of the results:		
	Allocated from results brought forward	-2.121.323	-1.593.143
	Distribution in total	**-2.121.323**	**-1.593.143**

Balance sheet 30 June

All amounts in DKK.

Assets

Note		2019	2018
	Fixed assets		
4	Other plants, operating assets, and fixtures and furniture	25.395	0
	Tangible fixed assets in total	25.395	0
	Fixed assets in total	**25.395**	**0**
	Current assets		
	Raw materials and consumables	769.160	0
	Manufactured goods and trade goods	24.000	0
	Inventories in total	793.160	0
	Trade debtors	23.733	0
	Deferred tax assets	588.405	0
	Receivable corporate tax	556.754	556.754
	Other debtors	315.626	119.758
	Accrued income and deferred expenses	28.504	1.630
	Debtors in total	1.513.022	678.142
	Available funds	3.824.500	1.549.871
	Current assets in total	**6.130.682**	**2.228.013**
	Assets in total	**6.156.077**	**2.228.013**

Balance sheet 30 June

All amounts in DKK.

Note	Equity and liabilities	2019	2018
	Equity		
5	Contributed capital	627.778	500.000
6	Share premium account	5.872.222	0
7	Results brought forward	-875.239	1.246.084
	Equity in total	**5.624.761**	**1.746.084**
	Liabilities		
	Trade creditors	284.356	218.674
	Other debts	246.960	263.255
	Short-term liabilities in total	531.316	481.929
	Liabilities in total	**531.316**	**481.929**
	Equity and liabilities in total	**6.156.077**	**2.228.013**

Notes

All amounts in DKK.

		2018/19	2017/18
1.	**Other financial costs**		
	Other financial costs	6.164	366
		6.164	**366**
2.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	0	-488.277
	Adjustment for the year of deferred tax	-588.405	0
	Adjustment of tax for previous years	0	-68.477
		-588.405	**-556.754**
3.	**Staff costs**		
	Salaries and wages	1.279.757	1.364.883
	Pension costs	47.250	0
	Other costs for social security	20.854	7.858
	Other staff costs	38.579	24.973
		1.386.440	**1.397.714**
	Average number of employees	3	3
4.	**Other plants, operating assets, and fixtures and furniture**		
	Additions during the year	39.567	0
	Cost 30 June 2019	**39.567**	**0**
	Depreciation for the year	-14.172	0
	Amortisation and writedown 30 June 2019	**-14.172**	**0**
	Book value 30 June 2019	**25.395**	**0**

Notes

All amounts in DKK.

		30/6 2019	30/6 2018
5.	**Contributed capital**		
	Contributed capital 1 July 2018	500.000	100.000
	Cash capital increase	127.778	-50.000
	Transferred from distributed reserves	0	450.000
		627.778	**500.000**
6.	**Share premium account**		
	Share premium account 1 July 2018	0	3.950.000
	Share premium account for the year	5.872.222	-3.950.000
		5.872.222	**0**
7.	**Results brought forward**		
	Results brought forward 1 July 2018	1.246.084	-660.773
	Profit or loss for the year brought forward	-2.121.323	-1.593.143
	Transferred from Share premium account	0	3.950.000
	Transferred to Contributed capital	0	-450.000
		-875.239	**1.246.084**

The annual report for Senserna A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Land and buildings are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	*Residual value*
Buildings	*30 years*	*20 %*
Technical plants and machinery	*5-10 years*	*0-20 %*
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0-20 %*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry?over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set?off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

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Steen Clausen
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