CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

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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 2019 - 30 June 2020

The annual report was submitted and approved by the general meeting on the

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, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 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 2019 to 30 June 2020.

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 2020 and of the company's results of its activities in the financial year 1 July 2019 to 30 June 2020.

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

We recommend that the annual report be approved by the general meeting.

Herlev, 3 December 2020

Executive board

Henrik Schneider

Kristian Lindberg-Poulsen

Board of directors

Mads Winblad

Henrik Schneider

Otto Tyge Krabbe

Peter Halkjær Jensen

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 2019 to 30 June 2020, which comprise accounting policies, 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 2020 and of the results of the company's operations for the financial year 1 July 2019 to 30 June 2020 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 financial statements. 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 financial statements.

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, 3 December 2020

Christensen Kjærulff

Company reg. no. 15 91 56 41

Anders Nielsen
State Authorised Public Accountant
mne42832

Company information

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	
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. The company has successfully raised soft-funding to support development of new solutions with high market potential, based on the microweter technology. In the light of the continued technology development alongside marketing of the first B2C product, the management considers the results satisfactory. .

Research and development activities

During the past year, production processes in regard to milkymeter has been optimized. The learnings from milkymeter has been utilized to boost a new B2B product development project, which is in line with the company strategy to develop better microwave ovens based on temperature sensing and control. This work has led to new patent applications being filed.

The expected development

The coming year will be influenced by finalizing new product development, setting up production and getting ready for market entry in partnership with global B2B customers.

Income statement 1 July - 30 June

All amounts in DKK.

Note		2019/20	2018/19
	Gross loss	**-2.511.017**	**-1.336.362**
3	Staff costs	-1.331.341	-1.353.030
	Depreciation and writedown relating to fixed assets	-22.190	-14.172
	Operating profit	**-3.864.548**	**-2.703.564**
	Other financial income	174	0
1	Other financial costs	-25.621	-6.164
	Pre-tax net profit or loss	**-3.889.995**	**-2.709.728**
2	Tax on ordinary results	-203.481	588.405
	Net profit or loss for the year	**-4.093.476**	**-2.121.323**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-4.093.476	-2.121.323
	Total allocations and transfers	**-4.093.476**	**-2.121.323**

Statement of financial position at 30 June

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
4	Other plants, operating assets, and fixtures and furniture	39.207	25.395
	Total property, plant, and equipment	39.207	25.395
	Total non-current assets	**39.207**	**25.395**
	Current assets		
	Raw materials and consumables	0	769.160
	Manufactured goods and trade goods	0	24.000
	Total inventories	0	793.160
	Trade debtors	9.634	23.733
	Deferred tax assets	0	588.405
	Receivable corporate tax	404.670	556.754
	Other debtors	68.507	315.626
	Accrued income and deferred expenses	28.200	28.504
	Total receivables	511.011	1.513.022
	Available funds	1.491.192	3.824.500
	Total current assets	**2.002.203**	**6.130.682**
	Total assets	**2.041.410**	**6.156.077**

Statement of financial position at 30 June

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
5	Contributed capital	627.778	627.778
6	Share premium	5.872.222	5.872.222
7	Retained earnings	-4.968.714	-875.239
	Total equity	**1.531.286**	**5.624.761**
	Liabilities other than provisions		
	Trade payables	259.431	284.356
	Other payables	250.693	246.960
	Total short term liabilities other than provisions	510.124	531.316
	Total liabilities other than provisions	**510.124**	**531.316**
	Total equity and liabilities	**2.041.410**	**6.156.077**

Notes

All amounts in DKK.

		2019/20	2018/19
1.	**Other financial costs**		
	Other financial costs	25.621	6.164
		25.621	**6.164**
2.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	203.481	-588.405
		203.481	**-588.405**
3.	**Staff costs**		
	Salaries and wages	1.184.702	1.279.757
	Pension costs	123.426	47.250
	Other costs for social security	6.942	20.854
	Other staff costs	16.271	5.169
		1.331.341	**1.353.030**
	Average number of employees	3	3
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 July 2019	39.567	0
	Additions during the year	36.002	39.567
	Cost 30 June 2020	**75.569**	**39.567**
	Amortisation and writedown 1 July 2019	-14.172	0
	Depreciation for the year	-22.190	-14.172
	Amortisation and writedown 30 June 2020	**-36.362**	**-14.172**
	Book value 30 June 2020	**39.207**	**25.395**
5.	**Contributed capital**		
	Contributed capital 1 July 2019	627.778	500.000
	Cash capital increase	0	127.778
		627.778	**627.778**

Notes

All amounts in DKK.

		30/6 2020	30/6 2019
6.	**Share premium**		
	Share premium account for the year	5.872.222	5.872.222
		5.872.222	**5.872.222**
7.	**Retained earnings**		
	Retained earnings 1 July 2019	-875.238	1.246.084
	Profit or loss for the year brought forward	-4.093.476	-2.121.323
		-4.968.714	**-875.239**

The annual report for Senserna A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in 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.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease 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.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to 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 premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering 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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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Otto Tyge Krabbe
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