

Nordetect ApS

Ole Maaløes Vej 3
DK-2200 Copenhagen

CVR no. 37 99 64 32

Annual report 2020

The annual report was presented and approved at the
Company's annual general meeting on

29 June 2021

Mads Heine
Chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nordetect ApS for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 29 June 2021
Executive Board:

Keenan Pinto

Palak Sehgal

Board of Directors:

Mads Heine
Chairman

Palak Sehgal

Keenan Pinto

Independent auditor's report

To the shareholders of Nordetect ApS

Opinion

We have audited the financial statements of Nordetect ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 Company'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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Nordetect ApS
Annual report 2020
CVR no. 37 99 64 32

Management's review

Company details

Nordetect ApS
Ole Maaløes Vej 3
2200 Copenhagen

CVR no.:	37 99 64 32
Established:	9 September 2016
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Mads Heine, Chairman
Palak Sehgal
Keenan Pinto

Executive Board

Keenan Pinto
Palak Sehgal

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The company's purpose is to develop technology and instruments for life science, as well as trade and related business, according to the management's discretion.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK -92,866 as against DKK -479,184 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 1,070,428 as against DKK 366,132 at 31 December 2019.

The focus of the management team in the year 2020 has been delivering products to pilot customers and improving its offering to its current and future target markets.

The COVID-19 pandemic and the lockdowns it triggered, caused major delays to operations, and forced more digital engagement with customers.

Management have from end 2020 started up a new funding round to ensure the venture of the company and the management strategy. This has resulted in a commitment before the end of the fiscal year.

Together with further capital and progress in product development the management expect that operations will continue as planned, leading to a growth in sales and distribution.

Events after the balance sheet date

The company has after the balancesheet date secured a seed financing round in February 2021. No other events have occurred after the financial year end, which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit/loss		44,417	-249,052
Staff costs	2	-256,043	-270,982
Loss before financial income and expenses		-211,626	-520,034
Other financial income		65	0
Other financial expenses		-62,457	0
Loss before tax		-274,018	-520,034
Tax on profit/loss for the year	3	181,152	40,850
Loss for the year		-92,866	-479,184
Proposed distribution of loss			
Reserve for development costs		1,463,434	367,587
Retained earnings		-1,556,300	-846,771
		-92,866	-479,184

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Intangible assets	4		
Development projects in progress		<u>2,635,019</u>	<u>758,821</u>
Total fixed assets		<u>2,635,019</u>	<u>758,821</u>
Current assets			
Receivables			
Trade receivables		1,250	8,250
Other receivables		132,240	183,804
Corporation tax		<u>412,765</u>	<u>103,680</u>
		<u>546,255</u>	<u>295,734</u>
Cash at bank and in hand		<u>2,212,181</u>	<u>104,062</u>
Total current assets		<u>2,758,436</u>	<u>399,796</u>
TOTAL ASSETS		<u><u>5,393,455</u></u>	<u><u>1,158,617</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		100,000	1,000
Reserve for development costs		2,055,317	591,883
Retained earnings		-2,584,889	-1,726,751
Reserves available		1,500,000	1,500,000
Total equity		1,070,428	366,132
Provisions			
Provisions for deferred tax		282,590	50,978
Total provisions		282,590	50,978
Liabilities other than provisions			
Non-current liabilities other than provisions			
Convertible and profit-sharing debt instruments		3,499,623	595,293
Current liabilities other than provisions			
Trade payables		318,700	109,304
Payables to group entities		2,588	20
Other payables		219,526	36,890
		540,814	146,214
Total liabilities other than provisions		4,040,437	741,507
TOTAL EQUITY AND LIABILITIES		5,393,455	1,158,617

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Equity instruments	Total
Equity at 1 January 2020	1,000	591,883	-1,726,751	1,500,000	366,132
Cash capital increase	99,000	0	698,162	0	797,162
Transferred over the distribution of loss	0	1,463,434	-1,556,300	0	-92,866
Equity at 31 December 2020	100,000	2,055,317	-2,584,889	1,500,000	1,070,428

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Nordetect ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in comparative figures

There have been made reclassifications to certain postings in the balance sheet in the comparative figures.

Income statement

Gross loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit/loss.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities. Capitalized development costs are in progress, and are not depreciated, before the technology becomes commercial.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity

The company's equity is an expression of net assets. Equity is the assets, deducted provisions and liabilities.

Own equity interests

Capital reduction by cancellation of treasury shares reduces the company's capital by an amount equal to the nominal value of the shares and increases transferred earnings. Dividends from treasury shares are recognized directly in equity under retained earnings. Purchase and sales figures for own shares are recognized directly in equity.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity instruments

Equity instruments are investments in the form of equity instruments that will be converted to equity.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2020	2019
Wages and salaries	1,163,263	391,025
Other social security costs	0	2,736
Other staff costs	49,749	186,032
Transferred to development projects	-956,969	-308,811
	<u>256,043</u>	<u>270,982</u>
Average number of full-time employees	<u>3</u>	<u>2</u>

Out of total wages DKK 1.213.012, DKK 956.969 has been capitalised as development costs.

3 Tax on loss for the year

Current tax for the year	-412,764	-103,679
Deferred tax for the year	231,612	62,829
Adjustment of tax concerning previous years	<u>0</u>	<u>0</u>
	<u>-181,152</u>	<u>-40,850</u>

4 Intangible assets

DKK	Development projects in progress
Cost at 1 January 2020	758,821
Additions for the year	<u>1,876,198</u>
Cost at 31 December 2020	<u>2,635,019</u>
Carrying amount at 31 December 2020	<u>2,635,019</u>