PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

MiWire ApS

Diplomvej 381, st., 2800 Kongens Lyngby

Company reg. no. 38 13 90 29

Annual report

2021

The annual report was submitted and approved by the general meeting on the 29 June 2022.

David Fleischer
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of MiWire ApS for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Kongens Lyngby, 29 June 2022

Managing Director

David Fleischer

Board of directors

Lars Priemé	Michael Lützenkirchen	Troels Karlog
David Fleischer	David Nikolaj Rachat-Nielsen	

Independent auditor's report

To the Shareholders of MiWire ApS

Opinion

We have audited the financial statements of MiWire ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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' 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.

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 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Glostrup, 29 June 2022

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

H. Munkebo Christiansen
State Authorised Public Accountant
mne3644

Company information

The company	MiWire ApS Diplomvej 381, st. 2800 Kongens Lyngby	
	Company reg. no.	38 13 90 29
	Established:	26 October 2016
	Domicile:	Lyngby-Taarbæk
	Financial year:	1 January 2021 - 31 December 2021 5th financial year
Board of directors	Lars Priemé Michael Lützenkirchen Troels Karlog David Fleischer David Nikolaj Rachat-Nielsen	
Managing Director	David Fleischer	
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Jyske Bank, I.L. Tvedesvej 7, DK - 3000 Helsingør	

Financial highlights

DKK in thousands.	2021	2020	2019	2018
Income statement:				
Gross profit	-772	-561	-2.109	-1.998
Profit from operating activities	-2.992	-2.405	-3.669	-2.950
Net financials	-527	-465	-302	-342
Net profit or loss for the year	-2.559	-2.109	-3.097	-2.561
Statement of financial position:				
Balance sheet total	14.793	13.434	11.433	9.807
Equity	-1.173	-754	1.355	2.643
Employees:				
Average number of full-time employees	6	6	5	3

Management´s review

The principal activities of the company

Like previous years, the principal activities have been to develop and commercialize a fully automated directional antenna, which in a mobile network can increase the effective data rate and range, and all business, which in the opinion of the Board of Directors, is related to this.

Uncertainties about recognition or measurement

The management has chosen to recognize externally paid project costs as well as internally held wage costs as development projects in progress and acquired rights in the balance sheet. The total value is respectively 10.425 t. DKK. and 382 t. DKK per. 31. December. The value is based on management's expectations of the products' market potential and is thus associated with uncertainty, as the value depends on the company achieving sufficient success with the commercialization.

Development in activities and financial matters

The results of ordinary activities after tax totals DKK -2.559.000 against DKK -2.109.000 last year. Management considers under the circumstances the net loss for the year satisfactory.

The company has lost more than half of the share capital and is therefore subject to the Company Act § 119. The company expects to restore the capital through future earnings and raise of external capital from investors.

Events occurring after the end of the financial year

After the financial year, the outbreak of the war in Ukraine has further impacted the availability of components in a very negative way. Especially the lack of microprocessors means that we at present cannot deliver a full SeaWire system, and therefore we have been forced to make a new development with components that are available. The shortage will result in reduced sales until the end of 2 quarter 2022, however without being a direct threat to the existence of the company.

On the sales side we have managed to close important distribution agreements that support the sales outlook for both the maritime and land-based sales in Europe and Latin America.

After the end of the financial year, there has been a cash capital increase of DKK 2.235.088 and a further is planned in august 2022.

Besides this, no events have occurred that will significantly upset the company's financial position.

Accounting policies

The annual report for MiWire ApS 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 income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Income statement

Gross loss

Gross loss comprises the revenue, cost of sales and other external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

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.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for sales, administration, cars and premises.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company's research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunity in the company can be demonstrated and where it is intended to manufacture, market or use the project, is recognized as intangible assets, if the cost price can be calculated reliably and there is sufficient assurance that future earnings can cover production-, sales- and administration costs. Other development costs are recognized in the income statement as costs are incurred.

Development costs recognized in the balance sheet are measured at cost with deductions of accumulated depreciation and writedowns.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

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

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

Accounting policies

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on 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.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross loss	**-771.760**	**-561.063**
3	Staff costs	-893.212	-1.036.014
	Amortisation and impairment of intangibleassets	-1.308.887	-790.300
	Research and development costs	-18.240	-18.041
	Operating profit	**-2.992.099**	**-2.405.418**
	Other financial costs	-527.246	-465.194
	Results before tax	**-3.519.345**	**-2.870.612**
4	Tax on ordinary results	960.213	761.680
	Net profit or loss for the year	**-2.559.132**	**-2.108.932**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-2.559.132	-2.108.932
	Total allocations and transfers	**-2.559.132**	**-2.108.932**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2021	2020
	Non-current assets		
5	Development projects	10.425.157	8.861.060
6	Acquired patents	381.811	44.031
	Total intangible assets	10.806.968	8.905.091
	Total non-current assets	**10.806.968**	**8.905.091**
	Current assets		
	Raw materials and consumables	1.084.731	1.286.492
	Prepayments for goods	150.000	150.000
	Total inventories	1.234.731	1.436.492
	Trade receivables	62.815	152.277
	Contract work in progress	0	139.933
7	Deferred tax assets	542.851	204.970
8	Income tax receivables	622.332	434.523
	Other receivables	199.217	184.833
	Total receivables	1.427.215	1.116.536
	Cash and cash equivalents	1.323.766	1.976.363
	Total current assets	**3.985.712**	**4.529.391**
	Total assets	**14.792.680**	**13.434.482**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	253.196	203.128
	Reserve for development costs	8.131.622	6.911.627
	Retained earnings	-9.557.788	-7.868.405
	Total equity	**-1.172.970**	**-753.650**
	Liabilities other than provisions		
	Other payables	15.274.209	13.246.243
9	Total long term liabilities other than provisions	15.274.209	13.246.243
	Prepayments received from customers	359.574	487.007
	Trade payables	2.064	6.639
	Other payables	329.803	448.243
	Total short term liabilities other than provisions	691.441	941.889
	Total liabilities other than provisions	**15.965.650**	**14.188.132**
	Total equity and liabilities	**14.792.680**	**13.434.482**

1 Uncertainties concerning recognition and measurement

2 Unusual circumstances in the annual report

10 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for contributed capital not paid	Reserve for development costs	Retained earnings	Total
Equity 1 January 2020	203.128	0	744.802	5.982.798	-5.575.446	1.355.282
Profit or loss for the year brought forward	0	0	0	0	-2.108.932	-2.108.932
Transferred from retained earnings	0	0	0	928.829	-928.829	0
Paid contributed capital for the year	0	0	-744.802	0	744.802	0
Equity 1 January 2021	203.128	0	0	6.911.627	-7.868.405	-753.650
Cash capital increase	50.068	2.089.744	0	0	0	2.139.812
Profit or loss for the year brought forward	0	0	0	0	-2.559.132	-2.559.132
Transferred to retained earnings	0	-2.089.744	0	0	2.089.744	0
Transferred from retained earnings	0	0	0	1.219.995	-1.219.995	0
	253.196	**0**	**0**	**8.131.622**	**-9.557.788**	**-1.172.970**

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

When calculating the carrying amount of certain of the company's assets, an estimate is required of how future events affect the value. Estimates that are essential for the accounting of put gels one is made, for example. in the calculation of depreciation and impairment of fixed assets.

The estimates used are based on assumptions that management considers reasonable, but which are inherently uncertain and unpredictable. The prerequisites may be incomplete or inaccurate, and unexpected events or circumstances may arise.

2. Unusual circumstances in the annual report

There is pr. definition risk associated with the recognition of development projects in progress and associated acquired rights (patents). The value of the assets depends on, 1) that the company achieves sufficient success with the development of the technology and subsequently the commercialization of the developed technologies, and 2) that the company can obtain it to get you out the development and commercialization required liquidity. Reference is made to the management's review.

Management has chosen to recognize externally paid project costs as well as internally paid salaries on costs such as development projects in progress, and each wheat rights (patents) in the balance sheet. The total value is respectively 10.425 t.DKK and 382 t.DKK per. 31 December 2021. The value is based on management's expectations of the project's market potential and is thus associated with uncertainty, as the value is dependent on the company achieving success with commercialization.

		2021	2020
3.	**Staff costs**		
	Salaries and wages	872.336	1.015.571
	Other costs for social security	20.876	20.443
		893.212	**1.036.014**
	Average number of employees	6	6
4.	**Tax on ordinary results**		
	Adjustment for the year of deferred tax	-337.881	-327.157
	Tax Credit	-622.332	-434.523
		-960.213	**-761.680**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
5.	**Development projects**		
	Cost 1 January 2021	9.818.069	7.842.965
	Additions during the year	2.828.782	1.975.104
	Cost 31 December 2021	**12.646.851**	**9.818.069**
	Amortisation and writedown 1 January 2021	-957.009	-172.712
	Amortisation for the year	-1.264.685	-784.297
	Amortisation and writedown 31 December 2021	**-2.221.694**	**-957.009**
	Carrying amount, 31 December 2021	**10.425.157**	**8.861.060**

		31/12 2021	31/12 2020
6.	**Acquired patents**		
	Cost 1 January 2021	60.034	50.000
	Additions during the year	381.982	10.034
	Cost 31 December 2021	**442.016**	**60.034**
	Amortisation and writedown 1 January 2021	-16.003	-10.000
	Amortisation for the year	-44.202	-6.003
	Amortisation and writedown 31 December 2021	**-60.205**	**-16.003**
	Carrying amount, 31 December 2021	**381.811**	**44.031**

		31/12 2021	31/12 2020
7.	**Deferred tax assets**		
	Deferred tax assets 1 January 2021	204.970	-122.187
	Deferred tax of the net profit or loss for the year	337.881	327.157
		542.851	**204.970**
	The following items are subject to deferred tax:		
	Intangible assets	-2.300.783	-1.952.514
	Losses carried forward from previous years	2.843.634	2.157.484
		542.851	**204.970**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
8.	**Income tax receivables**		
	Income tax receivables 1 January 2021	434.523	205.587
	Income tax paid concerning last year	-434.523	-205.587
	Income tax calculated for the current year	622.332	434.523
		622.332	**434.523**

9. Long term labilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	15.274.209	0	15.274.209	13.351.485
	15.274.209	**0**	**15.274.209**	**13.351.485**

10. Contingencies

Contingent liabilities

Rent liabilities

The company has entered into a rent contract with an average annual rent of DKK 258.000. The rent contract has a 1 month notice and the total rent obligation is DKK 21.500.