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# *QuadSAT ApS*

Lufthavnvej 151, DK-5270 Odense N

## Annual Report for 2021

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CVR No. 38 49 52 24

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 28/6 2022

Torben Frigaard  
Rasmussen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of QuadSAT ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Odense N, 28 June 2022

## Executive Board

Joakim Espeland  
CEO

Andrian Buchi  
Manager

## Board of Directors

Torben Frigaard Rasmussen  
Chairman

Rob Desborough

Simon Frederik Øelund

Andrian Buchi

Helge Munk

Joakim Espeland

# Independent Auditor's report

To the shareholder of QuadSAT ApS

## Opinion

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.

We have audited the Financial Statements of QuadSAT ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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.

## 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.

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, in our view, 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 in Management's Review.

## 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.

# Independent Auditor's report

## 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.

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 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.

Odense M, 28 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mette Holy Jørgensen

State Authorised Public Accountant

mne34359

Anders Kronborg Choy

State Authorised Public Accountant

mne44142

## Company information

<b>The Company</b>	QuadSAT ApS Lufthavnvej 151 DK-5270 Odense N Telephone: 49494994 Email: post@quadsat.com CVR No: 38 49 52 24 Financial period: 1 January - 31 December Incorporated: 15 March 2017 Financial year: 5th financial year Municipality of reg. office: Odense N
<b>Board of Directors</b>	Torben Frigaard Rasmussen, Chairman Rob Desborough Simon Frederik Øelund Andrian Buchi Helge Munk Joakim Espeland
<b>Executive board</b>	Joakim Espeland Andrian Buchi
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal 5230 Odense M

# Management's review

## Key activities

The company's purpose is to conduct trade, industry, development and investment activities.

## Development in the year

The income statement of the Company for 2021 shows a loss of DKK 8,890,646, and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 3,826,851.

## Capital resources

After the end of the financial year, a process has been initiated for a new capital raise, where management expects existing and new investors to contribute with the necessary liquidity.

The company's main investors have signed a letter of financial support valid until June 30, 2023 effectively securing the company's capital needs until the expected capital raise has been closed. Based on this, management presents the financial statements on the assumption of going concern.

Reference is made to note 1.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2021	2020
		DKK	DKK
<b>Gross loss</b>		<b>-1,369,828</b>	<b>-5,117,379</b>
Staff expenses	2	-8,809,992	-5,437,082
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-562,164	-328,096
Other operating expenses		-55,465	0
<b>Profit/loss before financial income and expenses</b>		<b>-10,797,449</b>	<b>-10,882,557</b>
Financial income		37,089	365
Financial expenses		-457,393	-243,201
<b>Profit/loss before tax</b>		<b>-11,217,753</b>	<b>-11,125,393</b>
Tax on profit/loss for the year	4	2,327,107	2,260,068
<b>Net profit/loss for the year</b>		<b>-8,890,646</b>	<b>-8,865,325</b>

## Distribution of profit

	2021	2020
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-8,890,646	-8,865,325
	<b>-8,890,646</b>	<b>-8,865,325</b>



## Balance sheet 31 December

### Assets

	Note	2021 DKK	2020 DKK
Acquired patents		581,070	267,198
<b>Intangible assets</b>	5	<b>581,070</b>	<b>267,198</b>
Other fixtures and fittings, tools and equipment		822,445	613,505
Prepayments for property, plant and equipment		133,420	108,584
<b>Property, plant and equipment</b>	6	<b>955,865</b>	<b>722,089</b>
Investments in subsidiaries	7	8	8
Deposits	8	98,267	50,267
<b>Fixed asset investments</b>		<b>98,275</b>	<b>50,275</b>
<b>Fixed assets</b>		<b>1,635,210</b>	<b>1,039,562</b>
Finished goods and goods for resale		869,958	0
<b>Inventories</b>		<b>869,958</b>	<b>0</b>
Trade receivables		137,573	830
Receivables from group enterprises		491,401	162,634
Other receivables		642,549	864,923
Deferred tax asset		10,000	10,000
Corporation tax		2,327,107	2,260,068
Prepayments		2,039	0
<b>Receivables</b>		<b>3,610,669</b>	<b>3,298,455</b>
<b>Cash at bank and in hand</b>		<b>8,497,765</b>	<b>6,895,929</b>
<b>Current assets</b>		<b>12,978,392</b>	<b>10,194,384</b>
<b>Assets</b>		<b>14,613,602</b>	<b>11,233,946</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		96,127	89,912
Retained earnings		3,730,724	8,843,353
<b>Equity</b>		<b>3,826,851</b>	<b>8,933,265</b>
Credit institutions		9,115,855	0
<b>Long-term debt</b>	9	<b>9,115,855</b>	<b>0</b>
Credit institutions	9	322	10,765
Prepayments received from customers		92,824	342,086
Trade payables		884,708	1,108,840
Other payables		693,042	838,990
<b>Short-term debt</b>		<b>1,670,896</b>	<b>2,300,681</b>
<b>Debt</b>		<b>10,786,751</b>	<b>2,300,681</b>
<b>Liabilities and equity</b>		<b>14,613,602</b>	<b>11,233,946</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	10		
Accounting Policies	11		

## Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	89,912	0	8,843,353	8,933,265
Cash capital increase	6,215	3,778,017	0	3,784,232
Net profit/loss for the year	0	0	-8,890,646	-8,890,646
Transfer from share premium account	0	-3,778,017	3,778,017	0
<b>Equity at 31 December</b>	<b>96,127</b>	<b>0</b>	<b>3,730,724</b>	<b>3,826,851</b>

# Notes to the Financial Statements

## 1. Going concern

After the end of the financial year, a process has been initiated for a new capital raise, where management expects existing and new investors to contribute with the necessary liquidity.

The company's main investors have signed a letter of financial support valid until June 30, 2023 effectively securing the company's capital needs until the expected capital raise has been closed. Based on this, management presents the financial statements on the assumption of going concern.

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	7,706,672	5,134,222
Pensions	715,486	89,583
Other social security expenses	235,177	95,768
Other staff expenses	152,657	117,509
	<u>8,809,992</u>	<u>5,437,082</u>
Average number of employees	<u>16</u>	<u>12</u>

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	14,726	14,710
Depreciation of property, plant and equipment	547,438	313,386
	<u>562,164</u>	<u>328,096</u>

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>4. Income tax expense</b>		
Current tax for the year	-2,327,107	-2,260,068
	<u>-2,327,107</u>	<u>-2,260,068</u>

# Notes to the Financial Statements

## 5. Intangible fixed assets

	Acquired patents
	DKK
Cost at 1 January	317,614
Additions for the year	328,598
Cost at 31 December	<u>646,212</u>
Impairment losses and amortisation at 1 January	50,416
Amortisation for the year	14,726
Impairment losses and amortisation at 31 December	<u>65,142</u>
<b>Carrying amount at 31 December</b>	<b><u>581,070</u></b>

## 6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Prepayments for property, plant and equipment
	DKK	DKK
Cost at 1 January	992,418	108,584
Additions for the year	784,431	133,420
Disposals for the year	-182,183	0
Transfers for the year	108,584	-108,584
Cost at 31 December	<u>1,703,250</u>	<u>133,420</u>
Impairment losses and depreciation at 1 January	378,913	0
Depreciation for the year	547,438	0
Impairment and depreciation of sold assets for the year	-45,546	0
Impairment losses and depreciation at 31 December	<u>880,805</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>822,445</u></b>	<b><u>133,420</u></b>
Amortised over	<u>2 years</u>	

## Notes to the Financial Statements

	2021	2020
	DKK	DKK
<b>7. Investments in subsidiaries</b>		
Cost at 1 January	8	8
Cost at 31 December	8	8
<b>Carrying amount at 31 December</b>	<b>8</b>	<b>8</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
QuadSAT Limited	London, UK	1 GBP	100%	-16,778	62,846
				<b>-16,778</b>	<b>62,846</b>

## 8. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	50,267
Additions for the year	48,000
Cost at 31 December	98,267
<b>Carrying amount at 31 December</b>	<b>98,267</b>

# Notes to the Financial Statements

## 9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>Credit institutions</b>		
After 5 years	0	0
Between 1 and 5 years	<u>9,115,855</u>	<u>0</u>
Long-term part	<u>9,115,855</u>	<u>0</u>
Within 1 year	0	0
Other short-term debt to credit institutions	<u>322</u>	<u>10,765</u>
Short-term part	<u>322</u>	<u>10,765</u>
	<u><b>9,116,177</b></u>	<u><b>10,765</b></u>

<u>2021</u>	<u>2020</u>
DKK	DKK

## 10. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Rent obligation, period of non-terminability 6 months	180,000	84,840
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# Notes to the Financial Statements

## 11. Accounting policies

The Annual Report of QuadSAT ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.



# Notes to the Financial Statements

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

## **Other external expenses**

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

## **Gross loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

## **Staff expenses**

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

## **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	2 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

# Notes to the Financial Statements

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.