

Rodinia ApS

Dortheavej 65, 2400 København NV

Company reg. no. 38 68 61 78

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 25 May 2022.

Philip Nyholm
Chairman of the meeting

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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 Rodinia ApS for the financial year 1 January - 31 December 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.

København NV, 2 May 2022

Managing Director

Trine Young Stofberg Poulsen

Board of directors

Hans-Henrik Søndersted-Olsen Trine Young Stofberg Poulsen Peter Raaby

Independent auditor's report on extended review

To the Shareholders of Rodinia ApS

Opinion

We have performed an extended review of the financial statements of Rodinia 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. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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 extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Copenhagen, 2 May 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Carsten Ingemann Johansen

State Authorised Public Accountant
mne32071

Company information

The company

Rodinia ApS
Dortheavej 65
2400 København NV

Company reg. no. 38 68 61 78
Financial year: 1 January - 31 December

Board of directors

Hans-Henrik Søndersted-Olsen
Trine Young Stofberg Poulsen
Peter Raaby

Managing Director

Trine Young Stofberg Poulsen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

Rodinia Generation's principal activities is to develop and roll-out Fashion Manufacturing Process Software enabling Just-in-Time(JIT), near-shoring and close to 100% "Green" fashion manufacturing processes for leading fashions brand globally.

Uncertainties concerning the enterprise's ability to continue as a going concern

The company's future operations depend on third party commitments which are depending on compliance with milestones. The management expects to meet the milestones and based on this, the company presents the annual report in accordance with the going concern criteria.

Development in activities and financial matters

The gross loss for the year totals DKK -1.715.311 against DKK 42.655 last year. Income or loss from ordinary activities after tax totals DKK -5.456.551 against DKK -2.112.818 last year. Management considers the net profit or loss for the year as expected.

Research and development activities

The Company develops own proprietary software to empower green sustainable factories by making the manufacturing process lean and efficient. The R&D activities are carried out in a combination of own employed staff and external consultants. The software is critical for the success of the Company in the long-term.

Accounting policies

The annual report for Rodinia 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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises the revenue, 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.

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration 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.

Accounting policies

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 as surcharges and reimbursements under the advance tax scheme, etc.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents 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.

Accounting policies

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

According to the rules of joint taxation, Rodinia ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	-1.715.311	42.655
2 Staff costs	-1.308.883	-1.406.518
Depreciation and impairment of property, land, and equipment	-957.879	-37.250
Research and development costs	-1.790.925	-867.675
Operating profit	-5.772.998	-2.268.788
3 Other financial expenses	-77.557	-34.919
Pre-tax net profit or loss	-5.850.555	-2.303.707
Tax on net profit or loss for the year	394.004	190.889
Net profit or loss for the year	-5.456.551	-2.112.818
Proposed appropriation of net profit:		
Allocated from retained earnings	-5.456.551	-2.112.818
Total allocations and transfers	-5.456.551	-2.112.818

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
4 Plant and machinery	4.219.557	4.533.353
5 Other fixtures and fittings, tools and equipment	843.957	1.002.470
Total property, plant, and equipment	<u>5.063.514</u>	<u>5.535.823</u>
6 Deposits	210.648	210.648
Total investments	<u>210.648</u>	<u>210.648</u>
Total non-current assets	<u>5.274.162</u>	<u>5.746.471</u>
Current assets		
Trade debtors	11.288	0
Income tax receivables	394.004	190.889
Other receivables	227.334	772.944
Prepayments	122.912	0
Total receivables	<u>755.538</u>	<u>963.833</u>
Cash and cash equivalents	<u>3.184.229</u>	<u>3.600.839</u>
Total current assets	<u>3.939.767</u>	<u>4.564.672</u>
Total assets	<u>9.213.929</u>	<u>10.311.143</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
7	Contributed capital	94.402	94.402
8	Share premium	3.154.818	0
	Retained earnings	3.032.583	8.489.134
	Total equity	6.281.803	8.583.536
Liabilities other than provisions			
9	Other loans	2.037.826	1.000.000
	Total long term liabilities other than provisions	2.037.826	1.000.000
	Bank debts	4.865	0
	Trade payables	177.591	58.936
	Payables to subsidiaries	67.626	66.300
	Other payables	644.218	602.371
	Total short term liabilities other than provisions	894.300	727.607
	Total liabilities other than provisions	2.932.126	1.727.607
	Total equity and liabilities	9.213.929	10.311.143

1 Uncertainties concerning the enterprise's ability to continue as a going concern**10 Charges and security****11 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	55.534	0	140.822	196.356
Cash capital increase	38.868	10.461.130	0	10.499.998
Profit or loss for the year brought forward	0	0	-2.112.818	-2.112.818
Transferred to retained earnings	0	-10.461.130	0	-10.461.130
Transferred from share premium	0	0	10.461.130	10.461.130
Equity 1 January 2021	94.402	0	8.489.134	8.583.536
Cash capital increase	0	3.154.818	0	3.154.818
Profit or loss for the year brought forward	0	0	-5.456.551	-5.456.551
	94.402	3.154.818	3.032.583	6.281.803

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Uncertainties concerning the enterprise's ability to continue as a going concern		
The company's future operations depend on third party commitments which are depending on compliance with milestones. The management expects to meet the milestones and based on this, the company presents the annual report in accordance with the going concern criteria		
2. Staff costs		
Salaries and wages	1.261.408	1.380.494
Other costs for social security	<u>47.475</u>	<u>26.024</u>
	<u>1.308.883</u>	<u>1.406.518</u>
Average number of employees	<u>8</u>	<u>5</u>
3. Other financial expenses		
Financial costs, group enterprises	2.060	1.300
Other financial costs	<u>75.497</u>	<u>33.619</u>
	<u>77.557</u>	<u>34.919</u>
4. Plant and machinery		
Cost 1 January 2021	4.533.353	0
Additions during the year	<u>389.464</u>	<u>4.533.353</u>
Cost 31 December 2021	<u>4.922.817</u>	<u>4.533.353</u>
Depreciation for the year	<u>-703.260</u>	<u>0</u>
Depreciation and writedown 31 December 2021	<u>-703.260</u>	<u>0</u>
Carrying amount, 31 December 2021	<u>4.219.557</u>	<u>4.533.353</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
5. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	1.054.917	36.286
Additions during the year	96.106	1.022.013
Disposals during the year	<u>0</u>	<u>-3.382</u>
Cost 31 December 2021	<u>1.151.023</u>	<u>1.054.917</u>
Depreciation and writedown 1 January 2021	-52.447	-18.392
Depreciation for the year	-254.619	-37.250
Adjustment of writedown, opening balance	<u>0</u>	<u>3.195</u>
Depreciation and writedown 31 December 2021	<u>-307.066</u>	<u>-52.447</u>
Carrying amount, 31 December 2021	<u>843.957</u>	<u>1.002.470</u>
6. Deposits		
Cost 1 January 2021	210.648	18.000
Additions during the year	0	210.648
Disposals during the year	<u>0</u>	<u>-18.000</u>
Cost 31 December 2021	<u>210.648</u>	<u>210.648</u>
Carrying amount, 31 December 2021	<u>210.648</u>	<u>210.648</u>

Notes

All amounts in DKK.

7. Contributed capital

Contributed capital is 9,440,208 shares par value DKK 0,01.

The company has issued warrants to a group of employees whereby they can subscribe shares in the company up to a nominal amount of DKK 161,215. The set subscription price is 80 and 200. The subscription rights can be exercised during the period 2019-2034 and can be exercised in whole or in part throughout the period.

The company has issued a warrant pool for key employees for DKK 1,154,700 and the set subscription price is 3.94.

The managing director is granted warrants in 2020 and 2021 for DKK 274,970. In 2021 and 2022 the warrants granted is variable calculated to 2% of pre money valuation at the share capital increase in 2021 and 2022 divided by subscribing party at the capital increase in 2021 and 2022. The set subscription price is variable and the subscription rights can be exercised during the period 2019-2034.

In addition, the company has issued subscription rights to the board of directors, whereby they can subscribe for new investments in the company of up to a nominal amount of DKK 503,233 for 2019, 2020 and 2021. In 2021 and 2022 the warrants granted and the subscription price is variable calculated based on the valuation of the company. The subscription rights can be exercised until 3 years after time of allocation and can be exercised in whole or in part throughout the period. For 2021 the set subscription price is 3.94.

8. Share premium

The company has issued warrants in relation to contribution/commitment to the company DKK 3,154,818 whereby third part can subscribe shares in the company up to a nominal amount of DKK 2,836,875. The set subscription price is 3.94. The subscription rights can be exercised until 24 November 2026. The amount received is stated as share premium until new shares are issued.

9. Other loans

Total other loans	2.037.826	1.000.000
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other loans	<u>2.037.826</u>	<u>1.000.000</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

10. Charges and security

For loan DKK 2,037,826, the company has provided security in company assets representing a nominal value of DKK 2,000,000. This security comprises the assets below:

Receivables from trade debtors

Fuels and other excipients

Goodwill, domain names and rights under the Patents Act, the Trademarks Act, the Design Act, the Utility

Model Act, the Designs Act, the Copyright Act and the law on the protection of semiconductor product

design (topography)

Motor vehicles that are not or have not previously been registered

Operating equipment

Inventories of raw materials, work in progress and manufactured goods

11. Contingencies

Contingent liabilities

The company has a rent obligation of DKK thousand 996.

Joint taxation

With Soon Holding ApS, company reg. no 38623338 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 000.