

Rodinia ApS

Dortheavej 65, 2400 København NV

Company reg. no. 38 68 61 78

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 9 March 2021.

Anne Broeng
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 report

Today, the board of directors and the managing director have presented the annual report of Rodinia ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København NV, 9 March 2021

Managing Director

Trine Young Stofberg Poulsen

Board of directors

Sigurd Lilienfeldt

Trine Young Stofberg Poulsen

Anne Broeng

Jens Munch-Hansen

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 to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to 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 section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 unless the 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 an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

Independent auditor's report on extended review

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen, 9 March 2021

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

Sigurd Lilienfeldt
Trine Young Stofberg Poulsen
Anne Broeng
Jens Munch-Hansen

Managing Director

Trine Young Stofberg Poulsen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management commentary

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.

Development in activities and financial matters

The gross profit for the year totals DKK 42.655 against DKK -332.647 last year. Income or loss from ordinary activities after tax totals DKK -2.112.818 against DKK -991.918 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.

Expected developments

The Company expects to improve its financial performance in 2021 as a result of production start with testing and samples delivered to customers. Continued investments into the organization and software will occur to ensure positive development of the company in the long-run.

Events occurring after the end of the financial year

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

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 annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

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.

Income statement

Gross profit

Gross profit 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.

Accounting policies

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 costs comprise costs 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.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency as well 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.

Accounting policies

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 %

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.

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.

Accounting policies

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.

Investments

Deposits

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

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.

Prepayments and accrued income

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

Cash on hand and demand deposits

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

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.

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.

Liabilities other than provisions

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>2020</u>	<u>2019</u>
Gross profit	42.655	-332.647
1 Staff costs	-1.406.518	-396.878
Depreciation and impairment of property, land, and equipment	-37.250	-9.196
Other operating costs	0	-252.554
Research and development costs	-867.675	0
Operating profit	-2.268.788	-991.275
2 Other financial costs	-34.919	-643
Pre-tax net profit or loss	-2.303.707	-991.918
Tax on net profit or loss for the year	190.889	0
Net profit or loss for the year	-2.112.818	-991.918
Proposed appropriation of net profit:		
Allocated from retained earnings	-2.112.818	-991.918
Total allocations and transfers	-2.112.818	-991.918

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
3 Plant and machinery	4.533.353	0
4 Other fixtures and fittings, tools and equipment	1.002.470	17.894
Total property, plant, and equipment	<u>5.535.823</u>	<u>17.894</u>
5 Deposits	210.648	18.000
Total investments	<u>210.648</u>	<u>18.000</u>
Total non-current assets	<u>5.746.471</u>	<u>35.894</u>
Current assets		
Income tax receivables	190.889	0
Other receivables	772.944	128.842
Prepayments and accrued income	0	22.900
Total receivables	<u>963.833</u>	<u>151.742</u>
Cash on hand and demand deposits	<u>3.600.839</u>	<u>459.822</u>
Total current assets	<u>4.564.672</u>	<u>611.564</u>
Total assets	<u>10.311.143</u>	<u>647.458</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities	2020	2019
<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity		
6 Contributed capital	94.402	55.534
Retained earnings	8.489.134	140.822
Total equity	8.583.536	196.356
Liabilities other than provisions		
Other loans	1.000.000	0
Total long term liabilities other than provisions	1.000.000	0
Trade payables	58.936	245.650
Payables to group enterprises	66.300	0
Other payables	602.371	205.452
Total short term liabilities other than provisions	727.607	451.102
Total liabilities other than provisions	1.727.607	451.102
Total equity and liabilities	10.311.143	647.458
8 Charges and security		
9 Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2019	50.000	0	31.272	81.272
Cash capital increase	5.534	0	0	5.534
Profit or loss for the year brought forward	0	0	-991.916	-991.916
Tranferred from share premium	0	0	1.101.466	1.101.466
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
	94.402	0	8.489.134	8.583.536

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Salaries and wages	1.380.494	390.911
Other costs for social security	26.024	5.967
	<u>1.406.518</u>	<u>396.878</u>
Average number of employees	<u>5</u>	<u>2</u>
2. Other financial costs		
Financial costs, group enterprises	1.300	0
Other financial costs	33.619	643
	<u>34.919</u>	<u>643</u>
3. Plant and machinery		
Additions during the year	4.533.353	0
Cost 31 December 2020	<u>4.533.353</u>	<u>0</u>
Carrying amount, 31 December 2020	<u>4.533.353</u>	<u>0</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	36.286	36.286
Additions during the year	1.022.013	0
Disposals during the year	-3.382	0
Cost 31 December 2020	<u>1.054.917</u>	<u>36.286</u>
Depreciation and writedown 1 January 2020	-18.392	-9.196
Depreciation for the year	-37.250	-9.196
Adjustment of writedown, opening balance	3.195	0
Depreciation and writedown 31 December 2020	<u>-52.447</u>	<u>-18.392</u>
Carrying amount, 31 December 2020	<u>1.002.470</u>	<u>17.894</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
5. Deposits		
Cost 1 January 2020	18.000	0
Additions during the year	210.648	18.000
Disposals during the year	<u>-18.000</u>	<u>0</u>
Cost 31 December 2020	<u>210.648</u>	<u>18.000</u>
Carrying amount, 31 December 2020	<u>210.648</u>	<u>18.000</u>

6. Contributed capital

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 2,235. 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 managing director is granted warrants in 2020 for DKK 2,749.70. 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 2,899 for 2019 and 2020. 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.

The exercise of the rights is conditional on the employee or board member being employed / affiliated with the company at the time of the exercise.

7. Share premium

Share premium account for the year	10.461.130	0
Transferred to retained earnings	<u>-10.461.130</u>	<u>0</u>
	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

8. Charges and security

For loan from Vækstfonden, DKK 1,000,000, the company has provided security in company assets representing a nominal value of DKK 1,000,000. 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

9. Contingencies

Contingent liabilities

The company has a rent obligation of DKK thousand. 1,494.

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 0.