

Inniti ApS

Langebrogade 4
1799 København V
Denmark

CVR no. 38 80 23 80

Annual report 2021

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

11 April 2022

Else Beth Trautner

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Inniti ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 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 fair review of the matters discussed in the Management's review.


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


Copenhagen, 11 April 2022
Executive Board:

DocuSigned by:

Malle Muff
CEO

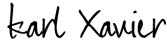
Board of Directors:

DocuSigned by:

Else Beth Trautner
Chairman

DocuSigned by:

Anders Lund Rasmussen

DocuSigned by:

Matteo Fumagalli

DocuSigned by:

Karl Ivar Andersson Xavier

DocuSigned by:

William Malachy MC Quillan



Independent auditor's report

To the shareholders of Inniti ApS

Opinion

We have audited the financial statements of Inniti ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 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 responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



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Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 11 April 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

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Management's review

Company details

Inniti ApS
Langebrogade 4
1411 København K
Denmark

Telephone: +45 2244 3404
E-mail: mm@inniti.dk

CVR no.: 38 80 23 80
Established: 15 July 2017
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Else Beth Trautner, Chairman
Anders Lund Rasmussen
Matteo Fumagalli
Karl Ivar Andersson Xavier
William Malachy MC Quillan

Executive Board

Malthe Muff, CEO

Auditor

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

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Management's review

Operating review

Principal activities

The company's purpose is to develop industry-leading IoT hardware and cloud-based software solutions that enable companies to access, analyse, and utilise data from laboratory and industrial equipment anywhere at any time.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK -3,266,733 as against DKK -367,933 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 20,291,982 as against DKK 2,952,359 at 31 December 2020.

Inniti raised an investment round in May 2021 of €2,4 million to fuel further revenue growth and product development.

Inniti is using the investment to strengthen its product portfolio and engineering teams while also expanding its commercial operations to tackle the increased international demand from global industrial companies. Amongst others, Inniti entered a client relationship with global bioscience company Chr. Hansen.

Throughout 2021, Inniti established strong partner relationships with several industry manufacturers to establish shared sales channels.

In 2022, Inniti will continue to scale its organisation and its commercial and product investments substantially to grow the company's customer portfolio and revenue exponentially.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

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Income statement

DKK	Note	2021	2020
Gross profit/loss		-2,634,071	277,119
Staff costs	2	-1,654,556	-679,298
Loss before financial income and expenses		-4,288,627	-402,179
Other financial expenses		-204,746	-288,634
Loss before tax		-4,493,373	-690,813
Tax on loss for the year	3	1,226,640	322,880
Loss for the year		-3,266,733	-367,933
Proposed distribution of loss			
Transfer to reserve for development costs		1,969,271	2,405,125
Retained earnings		-5,236,004	-2,773,058
		-3,266,733	-367,933

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Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets			
Development projects in progress		<u>7,951,690</u>	<u>5,426,983</u>
Investments			
Deposits		<u>89,250</u>	<u>46,075</u>
Total fixed assets		<u>8,040,940</u>	<u>5,473,058</u>
Current assets			
Inventories			
Raw materials and consumables		647,940	67,174
Prepayments for goods		<u>488,121</u>	<u>0</u>
		<u>1,136,061</u>	<u>67,174</u>
Receivables			
Other receivables		453,930	110,107
Corporation tax		<u>555,436</u>	<u>678,369</u>
		<u>1,009,366</u>	<u>788,476</u>
Cash at bank and in hand		<u>13,082,426</u>	<u>1,279,974</u>
Total current assets		<u>15,227,853</u>	<u>2,135,624</u>
TOTAL ASSETS		<u><u>23,268,793</u></u>	<u><u>7,608,682</u></u>

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DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		78,039	49,964
Reserve for development costs		6,202,318	4,233,047
Retained earnings		<u>14,011,625</u>	<u>-1,330,652</u>
Total equity		<u>20,291,982</u>	<u>2,952,359</u>
Provisions			
Provisions for deferred tax		<u>199,852</u>	<u>871,056</u>
Total provisions		<u>199,852</u>	<u>871,056</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables		<u>1,580,596</u>	<u>762,951</u>
Current liabilities other than provisions			
Convertible loans		0	2,411,696
Trade payables		164,161	68,838
Other payables		1,032,202	516,496
Deferred income		<u>0</u>	<u>25,286</u>
		<u>1,196,363</u>	<u>3,022,316</u>
Total liabilities other than provisions		<u>2,776,959</u>	<u>3,785,267</u>
TOTAL EQUITY AND LIABILITIES		<u><u>23,268,793</u></u>	<u><u>7,608,682</u></u>
Contractual obligations, contingencies, etc.	4		

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Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	49,964	4,233,047	-1,330,652	2,952,359
Cash capital increase	22,119	0	18,107,056	18,129,175
Debt conversion	5,956	0	2,471,225	2,477,181
Transferred over the distribution of loss	0	1,969,271	-5,236,004	-3,266,733
Equity at 31 December 2021	78,039	6,202,318	14,011,625	20,291,982

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1 Accounting policies

The annual report of Inniti ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Income statement

Gross profit

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

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Other external costs

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

Staff costs

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

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1 Accounting policies (continued)

Financial income and expenses

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

Tax on loss for the year

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

Balance sheet

Intangible assets

Development projects in progress

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

Investments

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and deposits is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

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

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1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

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

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

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

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1 Accounting policies (continued)

Cash at bank and in hand

Cash comprises bank deposits.

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

Equity

Reserves for development costs

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

Liabilities other than provisions

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

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

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DKK	<u>2021</u>	<u>2020</u>
2 Staff costs		
Wages and salaries	3,055,320	2,350,943
Pensions	44,945	0
Other social security costs	48,336	39,983
Transferred to development projects	-1,494,045	-1,711,628
	<u>0</u>	<u>0</u>
	<u>1,654,556</u>	<u>679,298</u>
Average number of full-time employees	<u>6</u>	<u>6</u>
3 Tax on profit/loss for the year		
Current tax for the year	-555,436	-678,369
Deferred tax for the year	-599,737	394,347
Adjustment of deferred tax concerning previous years	<u>-71,467</u>	<u>-38,858</u>
	<u>-1,226,640</u>	<u>-322,880</u>
4 Contractual obligations, contingencies, etc.		
Operating lease obligations		
The Company has entered into operating leases with a remaining term of 3 months and an average monthly lease payments of DKK 41 thousand.		