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Envirosuite Denmark ApS

Generatorvej 6A, 2860 Søborg

Company reg. no. 39 15 15 37

Annual report

2022/23

The annual report was submitted and approved by the general meeting on the 19 December 2023.

Simon Falbe-Hansen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Envirosuite Denmark ApS for the financial year 2022/23.

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 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

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.

Søborg, 19 December 2023

Executive board

Jason Kenneth Cooper

Rachel Ruth Ormiston

Independent auditor's report

To the Shareholders of Envirosuite Denmark ApS

Opinion

We have audited the financial statements of Envirosuite Denmark ApS for the financial year 1 July 2022 - 30 June 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023, and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Glostrup, 19 December 2023

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

Thomas Funch
State Authorised Public Accountant
mne47782

Company information

The company	Envirosuite Denmark ApS Generatorvej 6A 2860 Søborg	
	Company reg. no.	39 15 15 37
	Established:	11 December 2017
	Domicile:	Gladsaxe
	Financial year:	1 July - 30 June 5th financial year
Executive board	Jason Kenneth Cooper Rachel Ruth Ormiston	
Auditors	PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Danske Bank, Holmens Kanal 2, 1092 København K	

Financial highlights

DKK in thousands.	2022/23	2021/22	2020/21	2019/20	2018/19
Income statement:					
Gross profit	10.783	11.480	14.132	22.344	3.174
Profit from operating activities	688	920	555	-24.024	-492
Net financials	791	-904	17	454	29
Net profit or loss for the year	1.479	16	616	-23.772	-361
Statement of financial position:					
Balance sheet total	44.453	46.856	53.963	39.669	47.415
Investments in property, plant and equipment	273	181	239	1.315	0
Equity	18.739	17.104	16.902	15.886	39.654
Employees:					
Average number of full-time employees	11	11	14	23	0

The financial highlights for 2018/19 solely comprise the period 11 December 2017 - 31 December 2018 and the financial highlights for 2019/20 comprise the period 1 January 2019 - 30 June 2020.

Management´s review

Description of key activities of the company

The company acts as supplier of equipment for surveillance of environmental such as noise, vibrations and air quality.

Development in activities and financial matters

The gross profit for the year totals DKK 10.783.000 against DKK 11.480.000 last year. Income or loss from ordinary activities after tax totals DKK 1.479.000 against DKK 16.000 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of the financial year

No events have occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Envirosuite Denmark 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, write-downs 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.

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 profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

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, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Share-based payment

The company has set up incentive programmes intended to motivate and retain directors and management employees. Furthermore, the implemented incentive programmes are designed to ensure a coincidence of employee and shareholder interests.

Share-based incentive programmes where employees can solely opt to buy shares in the parent company (equity-settled share-based payment transactions) are measured at the fair value of the equity instruments at the time of granting and recognised in the income statement under staff costs under the respective functions, allocated over the vesting period. The corresponding counter entry is recognised in the shareholders' equity. Fair value at the time of granting is calculated on the basis of the Black-Scholes model.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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, amortisation of financial assets and liabilities.

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

Software

Sofware is measured at cost less accrued amortisation. Software is amortised on a straightline basis over its useful life, which has been assessed as 8 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straightline basis over its useful life, which has been assessed as 9 years.

Plant, and equipment

Plant and equipment are measured at cost less accrued depreciation and write-down 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:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years

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.

Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

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 as well as equity investments in associates 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. write-down 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.

Inventories

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

The cost of environmental monitoring inventories is based on the specific identification of their individual costs while the cost of consumables and other smaller inventory items is based on a weighted average cost formula.

In cases, when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

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

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Contract work in progress

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

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

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

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

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.

Income tax and deferred tax

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

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

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

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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.

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 July - 30 June

All amounts in DKK.

Note		2022/23	2021/22
	Gross profit	**10.783.279**	**11.479.862**
1	Staff costs	-8.681.763	-8.991.277
	Depreciation, amortisation, and impairment	-1.413.681	-1.569.036
	Operating profit	**687.835**	**919.549**
	Other financial income	834.607	0
	Other financial expenses	-43.755	-903.692
	Net profit or loss for the year	**1.478.687**	**15.857**
	Proposed distribution of net profit:		
	Transferred to retained earnings	1.478.687	15.857
	Total allocations and transfers	**1.478.687**	**15.857**

Balance sheet at 30 June

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
2	Acquired concessions, patents, licenses, trademarks, and similar rights	0	0
3	Goodwill	3.455.847	4.338.190
	Total intangible assets	3.455.847	4.338.190
4	Other fixtures, fittings, tools and equipment	557.955	816.495
	Total property, plant, and equipment	557.955	816.495
5	Deposits	206.837	174.696
	Total investments	206.837	174.696
	Total non-current assets	**4.220.639**	**5.329.381**
	Current assets		
	Manufactured goods and goods for resale	2.116.467	2.357.186
	Total inventories	2.116.467	2.357.186
	Trade receivables	3.697.195	3.373.445
6	Contract work in progress	0	174.337
	Receivables from group enterprises	32.122.704	32.205.290
	Other receivables	526.704	815.655
	Prepayments	229.856	172.870
	Total receivables	36.576.459	36.741.597
	Cash and cash equivalents	1.539.237	2.427.374
	Total current assets	**40.232.163**	**41.526.157**
	Total assets	**44.452.802**	**46.855.538**

Balance sheet at 30 June

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	50.003	50.003
	Retained earnings	18.688.648	17.054.481
	Total equity	**18.738.651**	**17.104.484**
	Liabilities other than provisions		
	Bank loans	91.242	13.803
6	Prepayments received from customers for contract work in progress	0	292.737
	Trade payables	1.500.127	3.889.546
	Payables to group enterprises	17.746.377	21.040.426
	Other payables	3.633.316	4.074.044
	Deferred income	2.743.089	440.498
	Total short term liabilities other than provisions	25.714.151	29.751.054
	Total liabilities other than provisions	**25.714.151**	**29.751.054**
	Total equity and liabilities	**44.452.802**	**46.855.538**

7 Charges and security

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 July 2021	50.003	16.852.421	16.902.424
Retained earnings for the year	0	15.857	15.857
Group subsidy	0	186.203	186.203
Equity 1 July 2021	50.003	17.054.481	17.104.484
Retained earnings for the year	0	1.478.687	1.478.687
Group subsidy	0	155.480	155.480
	50.003	**18.688.648**	**18.738.651**

Notes

All amounts in DKK.

		2022/23	2021/22
1.	**Staff costs**		
	Salaries and wages	8.130.247	8.419.188
	Pension costs	450.159	400.529
	Other costs for social security	101.357	171.560
		8.681.763	**8.991.277**
	Average number of employees	11	11

		30/6 2023	30/6 2022
2.	**Acquired concessions, patents, licenses, trademarks, and similar rights**		
	Cost 1 July 2022	24.209.083	24.209.083
	Cost 30 June 2023	**24.209.083**	**24.209.083**
	Amortisation and write-down 1 July 2022	-24.209.083	-24.209.083
	Amortisation and write-down 30 June 2023	**-24.209.083**	**-24.209.083**
3.	**Goodwill**		
	Cost 1 July 2022	7.941.094	7.941.094
	Cost 30 June 2023	**7.941.094**	**7.941.094**
	Amortisation and write-down 1 July 2022	-3.602.904	-2.720.561
	Amortisation and depreciation for the year	-882.343	-882.343
	Amortisation and write-down 30 June 2023	**-4.485.247**	**-3.602.904**
	Carrying amount, 30 June 2023	**3.455.847**	**4.338.190**

Notes

All amounts in DKK.

		30/6 2023	30/6 2022
4.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 July 2022	11.339.365	11.158.729
	Additions during the year	272.799	180.636
	Cost 30 June 2023	**11.612.164**	**11.339.365**
	Amortisation and write-down 1 July 2022	-10.522.870	-9.836.179
	Amortisation and depreciation for the year	-531.339	-686.691
	Amortisation and write-down 30 June 2023	**-11.054.209**	**-10.522.870**
	Carrying amount, 30 June 2023	**557.955**	**816.495**
5.	**Deposits**		
	Cost 1 July 2022	174.696	229.821
	Additions during the year	32.141	4.421
	Disposals during the year	0	-59.546
	Cost 30 June 2023	**206.837**	**174.696**
	Carrying amount, 30 June 2023	**206.837**	**174.696**
6.	**Contract work in progress**		
	Selling price of the production for the period	0	3.646.310
	Progress billings	0	-3.764.710
	Contract work in progress, net	**0**	**-118.400**
	The following is recognised:		
	Contract work in progress (current assets)	0	174.337
	Contract work in progress (prepayments received on account)	0	-292.737
		0	**-118.400**

7. Charges and security

The company has provided work gurantees for customers of 259 t.DKK.

Notes

All amounts in DKK.

7. Charges and security (continued)

The company has pledged two bank accounts. At 30 June 2023, the carrying amount of the bankaccounts totals 333 t.DKK.

8. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into two operational leases. The leasing contracts have 42 months left to run, and the total outstanding leasing payment is t.DKK 76.

Rental liabilities:

The company has entered into one tenancy agreement. The company has a rental commitment of t.DKK 193 as of 30 June 2023.