



Unisense Holding A/S

Langdyssen 5
8200 Aarhus N
CVR No. 44062933

Annual report 2023

The Annual General Meeting adopted the annual report on 26.02.2024

Lars Riis Damgaard
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	9
Balance sheet at 31.12.2023	10
Statement of changes in equity for 2023	12
Notes	13
Accounting policies	16

Entity details

Entity

Unisense Holding A/S

Langdyssen 5

8200 Aarhus N

Business Registration No.: 44062933

Registered office: Aarhus

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Flemming Besenbacher

Carl Erik Skovgaard

Ole Pedersen

Lars Rabe Tønnesen

Michael Reeslev

Executive Board

Thomas Rattenborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Unisense Holding A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 06.02.2024

Executive Board

Thomas Rattenborg

Board of Directors

Flemming Besenbacher

Carl Erik Skovgaard

Ole Pedersen

Lars Rabe Tønnesen

Michael Reeslev

Independent auditor's report

To the shareholders of Unisense Holding A/S

Opinion

We have audited the financial statements of Unisense Holding A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 commentary.

Aarhus, 06.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Sune Pagh Sølvssteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Primary activities

The objects of the company are to hold shares in companies within sensor technology, exercise group management and carry out capital investment in securities, and other business derived from this or connected herewith.

Development in activities and finances

The Company was established in 2023 after the demerger of Unisense Holding 2 A/S to two new holding companies, Unisense Holding A/S and Sulfilogger Holding A/S.

Unisense Holding A/S has investments in one unlisted company, Unisense A/S, and owns 100% of Unisense A/S. Unisense A/S owns 100% of Unisense Environment A/S.

Unisense A/S and Unisense Environment A/S are valued as 7x the average of normalized EBITDA for the last realized financial year and the current budget year, minus the average interest-bearing debt for the same two years. The interest-bearing debt has been adjusted for 100% intra-group loan balances. The valuation follows the same practice as in previous years.

The company's intrinsic value per 31.12.2023 amounts to DKK 93,612,871, which corresponds to a share price per share worth nom DKK 1 of 169.13.

In 2023, Unisense A/S realized an operating result before depreciation of DKK 9,690k.

In 2023, Unisense Environment A/S realized an operating profit before depreciation of DKK 5,405k.

Unisense A/S mainly sells sensor systems for research applications and monitoring. Turnover from sales of sensor systems grew by 6% in comparison with the year before. The operating profit from business activities before depreciation, amortization and impairment losses was DKK 9,690k, and operating profit was DKK 9,059k. Earnings from activities in subsidiary Unisense Environment A/S was DKK 3,896k. Total earning of the year was DKK 11,257k.

The NitraFlow sensor research development program is progressing well and is expected to be further accelerated in the coming year.

Unisense Environment A/S mainly sells nitrous oxide sensor systems for monitoring and mitigating nitrous oxide in wastewater. Focus on mitigating N₂O emission from water utilities is growing worldwide, and net revenue from sales of nitrous oxide sensor systems increased 45% in comparison with the year before. The operating profit from business activities before depreciation, amortization and impairment losses was DKK 5,405k. Total earning of the year was DKK 3,896k.

Both Unisense A/S and Unisense Environment A/S expect a positive financial result for the coming financial year.

Unisense Holding A/S itself has had no other activities in 2023. Total earning of the year was DKK 7,138k.

Uncertainty relating to recognition and measurement

The company's shares in the affiliated company, Unisense A/S (and including shares in Unisense Environment A/S) are measured at fair value. Trading in the shares is modest, and as a result of which the estimation of fair values is associated with estimates and significant uncertainty.

The value adjustment for the year amounts to DKK 30.9 million.

Events after the balance sheet date

Unisense Holding A/S has in December 2023 acquired 96.770 shares from a shareholder and on January 20th 2024 executed a share capital reduction from 553.504 to 456.734 shares of nom 1 DKK. Since the balance sheet date, no other events impacting valuation have occurred, and therefore it is fair to assume that the company's intrinsic value per 20.01.2024 still amounts to DKK 93,593,871, which then corresponds to a share price per share worth nom DKK 1 of 204.96.

If taking into account the proposed dividend from Unisense A/S of DKK 12.5 million in February 2024, all other things being equal, the share price will improve by around 27,3 points bringing the share price per share worth 1 DKK to around 232.33.

The employee share scheme of 41,577 warrants over four years from 2023 to 2026 has run for 1 years, and 31,798 warrants remains in the program. The employee share scheme will be adjusted according to the share capital reduction and as a result hereof the warrant program is not expected to be utilized in full.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK
Gross profit/loss		(287,723)
Staff costs	2	(75,000)
Operating profit/loss		(362,723)
Income from investments in group enterprises		7,500,000
Other financial income		10,718
Other financial expenses	3	(88,397)
Profit/loss before tax		7,059,598
Tax on profit/loss for the year	4	78,000
Profit/loss for the year		7,137,598
Proposed distribution of profit and loss		
Retained earnings		7,137,598
Proposed distribution of profit and loss		7,137,598

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK
Investments in group enterprises		104,970,783
Financial assets	5	104,970,783
Fixed assets		104,970,783
Other receivables		20,000
Joint taxation contribution receivable		3,020,000
Receivables		3,040,000
Cash		584,680
Current assets		3,624,680
Assets		108,595,463

Equity and liabilities

	Notes	2023 DKK
Contributed capital	6, 7	553,504
Revaluation reserve		30,893,628
Retained earnings		62,165,739
Equity		93,612,871
Trade payables		60,126
Payables to group enterprises	8	12,018,308
Payables to owners and management		17,158
Income tax payable		2,887,000
Current liabilities other than provisions		14,982,592
Liabilities other than provisions		14,982,592
Equity and liabilities		108,595,463
Uncertainty relating to recognition and measurement	1	
Contingent liabilities	9	

Statement of changes in equity for 2023

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Total DKK
Contributed upon formation	543,725	0	71,742,435	72,286,160
Increase of capital	9,779	0	260,994	270,773
Purchase of treasury shares	0	0	(11,975,288)	(11,975,288)
Extraordinary dividend paid	0	0	(5,000,000)	(5,000,000)
Revaluations for the year	0	30,893,628	0	30,893,628
Profit/loss for the year	0	0	7,137,598	7,137,598
Equity end of year	553,504	30,893,628	62,165,739	93,612,871

Notes

1 Uncertainty relating to recognition and measurement

The company's shares in the affiliated company, Unisense A/S (and including shares in Unisense Environment A/S) are measured at fair value. Trading in the shares is modest, and as a result of which the estimation of fair values is associated with estimates and significant uncertainty.

The value adjustment for the year amounts to DKK 30.9 million. See note 5.

2 Staff costs

	2023
	DKK
Wages and salaries	75,000
	75,000
Average number of full-time employees	0

3 Other financial expenses

	2023
	DKK
Financial expenses from group enterprises	33,414
Other interest expenses	2,339
Other financial expenses	52,644
	88,397

4 Tax on profit/loss for the year

	2023
	DKK
Refund in joint taxation arrangement	(78,000)
	(78,000)

5 Financial assets

	Investments in group enterprises DKK
Additions through business combinations etc.	74,077,155
Cost end of year	74,077,155
Fair value adjustments	30,893,628
Revaluations end of year	30,893,628
Carrying amount end of year	104,970,783

Unisense A/S (including subsidiary Unisense Environment A/S) are valued as 7x the average of normalized EBITDA for the last realized financial year and the current budget year, minus the average interest-bearing debt for the same two years. The interest-bearing debt has been adjusted for 100% intra-group loan balances.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Unisense A/S	Aarhus	A/S	100.00

6 Share capital

	Number	Nominal value DKK
Shares	553,504	553,504
	553,504	553,504

A share option scheme according to which a right to subscribe for up to 41,577 new shares (DKK 41,577) in the Company has been established. At 31.12.2023 a total of DKK 9,779 has been exercised.

Warrants must be exercised no later than December 31st 2026.

7 Treasury shares

	Number	Nominal value DKK	Recorded par value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Treasury shares 2023	96,770	96,770	11,975,288	17.48	124
Investments acquired	96,770	96,770	11,975,288	17.48	
Treasury shares 2023	96,770	96,770	11,975,288	17.48	
Holding of treasury shares	96,770	96,770	11,975,288	17.48	

In December 2023, the Company acquired nom. DKK 96,770 treasury shares for DKK 11,975k. The purchase price is deducted directly from the equity in retained earnings.

At an extraordinary general meeting on December 20, 2023, it was decided to reduce the contributed capital by nom. DKK 96,770. The reduction was formally executed after the expiry of a published 4-week proclamation period on January 19, 2024. After the reduction, the contributed capital amounts nom. DKK 456,734.

8 Payables to group enterprises

The amount is primarily debt to Unisense A/S and relates to payment of treasury shares (see note 7). At the annual general meeting for Unisense A/S in February 2024, a dividend of DKK 12.5 mio. will be proposed, hence clearing the payable amount.

9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

The annual report for 2023 contains the period 01.01.2023 - 31.12.2023. This annual report is the first reporting period for the company.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for

premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises bank deposits.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity in retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.