NORDSENSE ApS

Vendersgade 28, 2. th, DK-1363 København K

Annual Report for 2024

CVR No. 36 69 33 47

The Annual Report was presented and adopted at the Annual General Meeting of the company on 4/7 2025

Anders Engdal
Chairman of the general meeting

Contents

	Page
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Practitioner's Extended Review Report	2
Management's Review	
Company information	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board has today considered and adopted the Annual Report of NORDSENSE ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 4 July 2025

Executive Board

Anders Engdal
CEO

Independent Practitioner's Extended Review Report

To the shareholder of NORDSENSE ApS

Conclusion

We have performed an extended review of the Financial Statements of NORDSENSE ApS for the financial year 1 January - 31 December 2024, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority´s Assurance Standard for Small Enterprises and FSR – Danish Auditors´ standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner´s responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that uncertainty exists that may cast significant doubt on the company's ability to continue operations.

Our conclusion remains unmodified with respect to this matter.

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 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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Independent Practitioner's Extended Review Report

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.

In connection with our extended review 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 extended review, 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Hellerup, 4 July 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kyhnauv
State Authorised Public Accountant
mne40028

Company information

The Company	NORDSENSE ApS Vendersgade 28, 2. th DK-1363 København K Telephone: +45 40804861 CVR No: 36 69 33 47 Financial period: 1 January - 31 December Incorporated: 24 March 2015 Financial year: 10th financial year Municipality of reg. office: Copenhagen
Executive Board	Anders Engdal
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

The fiscal year 2024 has marked a clear turning point for Nordsense. After years of foundational work and difficult but necessary restructuring, the company now stands in a significantly stronger and more forward-looking position. With continued strong support from our investors, solid customer loyalty, and a sharper operational focus, Nordsense is firmly in a growth and expansion phase.

Market and Business Overview

Urban waste management continues to be a critical component in the global transition toward more sustainable and efficient cities. Nordsense is well-positioned within this green transformation, offering advanced, sensor-driven solutions that enable municipalities and private operators to reduce waste, optimize routes, and support their environmental goals.

In 2024, Nordsense successfully retained and expanded its customer base through substantial investments in both customer satisfaction and technical improvements. We have seen strong loyalty from existing customers and positive feedback on both product performance and support.

Operational Highlights

The year has been characterized by major development efforts and successful execution:

- **Customer Retention and Growth:**

  We invested heavily in customer satisfaction, resulting in strong retention rates and new customer wins. Customer feedback has been consistently positive, and loyalty remains high.

- **Product and Platform Development:**

  We completed several key development initiatives, resulting in significant new functionality, performance improvements, and platform enhancements across both hardware and software. These upgrades reflect our long-term product strategy and commitment to delivering best-in-class solutions.

- **Operational Expansion:**

  Nordsense is now in active growth mode. We successfully closed new sales contracts during the year and have a strong and growing sales pipeline going into 2025.

- **Investor Support and Commitment:**

  Our investors have once again shown strong commitment, providing substantial financial backing during the year to support growth and operations. Their continued belief in the company's direction and potential has been instrumental in navigating past challenges and positioning Nordsense for long-term success.

Financial Performance

Revenue increased again in 2024, and the company continues to execute on its strategy toward profitability. Operational improvements and increased sales have had a positive effect on cash flow. While the company is not yet fully self-financing, current budgets and projections indicate that this is now within reach. Should temporary liquidity needs arise, our investors have expressed continued willingness to support the company financially, as they have reliably done over the past eight years.

Management's review

Outlook

The outlook for Nordsense is highly positive. The company is now operating from a fundamentally stronger position — strategically, financially, and operationally — compared to previous years. With a clear product vision, a loyal and growing customer base, a strong investor group, and alignment with global sustainability goals, we are confident in our ability to deliver continued growth and value.

The company has emerged stronger from several challenging years, and management is optimistic about the future.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit/loss		**202,917**	**-1,186,520**
Staff expenses	2	-10,074,740	-15,622,691
Depreciation and impairment losses of property, plant and equipment		-2,614,708	-2,289,413
Profit/loss before financial income and expenses		**-12,486,531**	**-19,098,624**
Financial income		69,536	4,283,925
Financial expenses	3	-8,974,363	-6,444,114
Profit/loss before tax		**-21,391,358**	**-21,258,813**
Tax on profit/loss for the year		644,760	1,463,844
Net profit/loss for the year		**-20,746,598**	**-19,794,969**

Distribution of profit

	2024	2023
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-20,746,598	-19,794,969
	-20,746,598	**-19,794,969**

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Plant and machinery		7,673,619	9,000,797
Other fixtures and fittings, tools and equipment		0	6,815
Leasehold improvements		4,846	9,060
Property, plant and equipment		**7,678,465**	**9,016,672**
Deposits		163,609	160,598
Fixed asset investments		**163,609**	**160,598**
Fixed assets		**7,842,074**	**9,177,270**
Stock		4,908,708	5,291,936
Inventories		**4,908,708**	**5,291,936**
Trade receivables		661,642	820,754
Other receivables		0	125,968
Corporation tax		644,760	1,463,844
Prepayments		22,616	9,501
Receivables		**1,329,018**	**2,420,067**
Cash at bank and in hand		**1,408,643**	**4,730,140**
Current assets		**7,646,369**	**12,442,143**
Assets		**15,488,443**	**21,619,413**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		51,000	51,000
Retained earnings		-100,327,609	-79,581,013
Equity		**-100,276,609**	**-79,530,013**
Credit institutions		26,166,207	23,942,533
Payables to group enterprises		80,267,525	63,718,364
Long-term debt		**106,433,732**	**87,660,897**
Prepayments received from customers		0	69,207
Trade payables		703,896	403,257
Other payables		735,429	1,731,459
Deferred income	4	7,891,995	11,284,606
Short-term debt		**9,331,320**	**13,488,529**
Debt		**115,765,052**	**101,149,426**
Liabilities and equity		**15,488,443**	**21,619,413**
Going concern	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	51,000	-79,581,011	-79,530,011
Net profit/loss for the year	0	-20,746,598	-20,746,598
Equity at 31 December	**51,000**	**-100,327,609**	**-100,276,609**

Notes to the Financial Statements

1. Going concern

The Company have prepared a liquidity budget for the coming year. In 2025, the Company expect a gross cash inflow which is based on signed or agreed customer contracts and a significant part is expected from new contracts.
The budget is subject to uncertainty, as it includes expected cash flow from additional customer contracts not yet signed. This indicates that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
It is Management's view that the budget will be met, including signing additional customer contracts, and the Financial Statements has therefore been prepared on a going concern basis.

2. Staff expenses

	2024 DKK	2023 DKK
Wages and salaries	7,126,930	13,251,739
Pensions	136,569	183,458
Other social security expenses	66,262	169,220
Other staff expenses	2,744,979	2,018,274
	10,074,740	**15,622,691**
Average number of employees	**8**	**15**

3. Financial expenses

	2024 DKK	2023 DKK
Interest to group enterprises	2,517,887	2,150,432
Other financial expenses	2,224,944	1,892,576
Exchange adjustments, expenses	4,231,532	2,401,106
	8,974,363	**6,444,114**

4. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2024	2023
	DKK	DKK

5. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with		
Liabilities under rental or lease agreements until maturity in total	226,870	150,598

6. Accounting policies

The Annual Report of NORDSENSE ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5-7 years
Other fixtures and fittings, tools and equipment	3 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.