

# Naviga A/S

C/O Crowe Statsautoriseret Revisionsinteress, Rygårds Allé 104, 2900 Hellerup

CVR no. 17 46 81 46

## Annual report 2023

Approved at the Company's annual general meeting on 8 July 2024

Chair of the meeting:

A handwritten signature in black ink, appearing to read "Scott Roessler", written over a horizontal dotted line.

Scott Roessler

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Naviga A/S for the financial year 1 January - 31 December 2023.

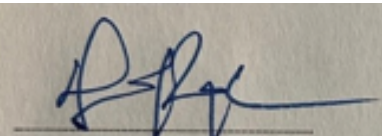
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Hellerup, 8 July 2024  
Executive Board:

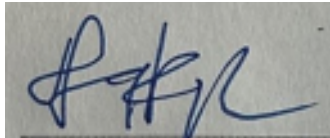


Klas Jonas Bringle

Board of Directors:



Scott Roessler  
Chairman



Klas Jonas Bringle



Jeffery Paul Neunsinger

## Independent auditor's report

To the shareholders of Naviga A/S

### Conclusion

We have conducted an extended review of the financial statements of Naviga A/S for the financial year 1 January - 31 December 2023, which comprise 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities 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 "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Independence

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.

### Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which states that there are uncertainties regarding going concern in the parent Company NAVIGA Intermediate Holdings LLC. This creates significant uncertainty about the Company's ability to continue as going concern, as the Company does not have sufficient liquidity to pay back the Company's intercompany debt, if it is demanded to do so.

We have not modified our opinion in respect of this matter.

### 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 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 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 for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 8 July 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Søren V. Neimann  
State Authorised Public Accountant  
mne32775



Henrik K. Andersen  
State Authorised Public Accountant  
mne36193

## Management's review

### Company details

Name	Naviga A/S
Address, Postal code, City	C/O Crowe Statsautoriseret Revisionsinteress, Rygårds Allé 104, 2900 Hellerup
CVR no.	17 46 81 46
Established	1 December 1993
Registered office	København
Financial year	1 January - 31 December
Website	<a href="http://www.navigaglobal.com">www.navigaglobal.com</a>
Telephone	+45 36 94 44 61
Board of Directors	Scott Roessler, Chairman Klas Jonas Bringle Jeffery Paul Neunsinger
Executive Board	Klas Jonas Bringle
Auditors	EY Godkendt Revisionspartnerselskab Østre Havnegade 65, 9000 Aalborg, Denmark

## Management's review

### Business review

Naviga A/S as a part of the Naviga group develops and markets software and services to the media industry. The product range primarily consists of enterprise-level digital and print systems for multi-channel publishing, audience management, and advertising and circulation, all available as managed hosted solutions.

### Unusual matters having affected the financial statements

#### *Going concern*

The Company has net receivables amounting to DKK 64,231 thousand before write down towards affiliated companies in the Group, consisting of DKK 95,586 thousand in receivables and DKK 31,355 thousand in payables. A significant part of the receivables is towards Naviga Inc. which is owned by NAVIGA Intermediate Holdings LLC.

The consolidated financial statements for 2023 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. On March 29, 2024 NAVIGA Intermediate Holdings LLC did not make an interest payment as required, which resulted in an event of Default on April 5, 2024. Following the presentation of the annual report for NAVIGA Intermediate Holdings LLC, the Group Management has negotiated an extended payment deadline to 30 June 2024, which the Group has not complied with and the Company's debt is again due for payment. The Group Management is negotiating a forbearance agreement with respect to the interest payment. Until this plan has been fully executed Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern.

Based on the above, the Management in Naviga A/S assesses, that there is a significant uncertainty related to the valuation of the receivables from group entities, as the affiliated companies may not have sufficient funding to repay these receivables. As a consequence of this uncertainty, the management of Naviga A/S has chosen to write down its receivables from group entities by DKK 95,586 thousand in the financial year 2023.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the forbearance plan, and if Naviga A/S is demanded to repay its intercompany debt, Naviga A/S, will not have sufficient financing and liquidity to do so from a stand-alone standpoint, and will not be able to secure financing by requesting payment from affiliated companies.

As a consequence of this, Management of Naviga A/S assesses that there is substantial doubt about the Company's ability to continue as going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As it is Group Managements expectation to get the forbearance plan fulfilled Management of Naviga A/S has prepared the financial statements under the assumption of going concern.

### Financial review

The income statement for 2023 shows a loss of DKK 81,711 thousand against a loss of DKK 9,436 thousand last year, and the balance sheet at 31 December 2023 shows a negative equity of DKK 35,282 thousand.

The Company has lost more than half of its share capital, and the Company is therefore subject to the capital loss rules pursuant to section 119 of the Danish Companies Act. It is the management's assessment that the share capital can be restored through future earnings and reversals of impairment of receivables from group entities in the coming years, and the financial statements have been prepared under the assumption of going concern.

The profit for the year is negatively impacted by DKK 95,586 thousand in 2023 as a result of impairment of receivables from group entities. As a result of uncertainty about the Group's ability continue as going concern, the Management in Naviga A/S has chosen to write down its receivables from group entities. Reference is made to note 4.

### Events after the balance sheet date

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

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2023	2022
	<b>Gross profit/loss</b>	10,978	-17,006
5	Staff costs	-3,067	-2,966
	Depreciation, amortization and impairment losses	-4	-9
	Write-downs of current assets in excess of normal impairment	-95,586	0
	<b>Profit/loss before net financials</b>	-87,679	-19,981
6	Financial income	26,371	18,141
7	Financial expenses	-20,345	-7,596
	<b>Profit/loss before tax</b>	-81,653	-9,436
	Tax for the year	-58	0
	<b>Profit/loss for the year</b>	-81,711	-9,436
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-81,711	-9,436
		-81,711	-9,436



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2023	2022
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
	<b>Property, plant and equipment</b>		
	Tools and equipment	2	6
		2	6
	<b>Total fixed assets</b>	2	6
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	1,419	3,774
	Contract work in progress	58	101
8	Receivables from group entities	0	78,382
	Income taxes receivable	58	58
	Other receivables	69	4
9	Prepayments	439	1,843
		2,043	84,162
	<b>Cash</b>	1,651	2,067
	<b>Total non-fixed assets</b>	3,694	86,229
	<b>TOTAL ASSETS</b>	3,696	86,235
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	13,763	13,763
	Retained earnings	-49,045	32,666
	<b>Total equity</b>	-35,282	46,429
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Prepayments received from customers	5,569	9,832
	Trade payables	711	272
	Payables to group entities	31,355	28,600
	Joint taxation contribution payable	58	0
	Other payables	1,285	1,102
		38,978	39,806
	<b>Total liabilities other than provisions</b>	38,978	39,806
	<b>TOTAL EQUITY AND LIABILITIES</b>	3,696	86,235

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Capital ratio
- 4 Special items
- 12 Contractual obligations and contingencies, etc.
- 13 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	13,763	32,666	46,429
Transfer through appropriation of loss	0	-81,711	-81,711
Equity at 31 December 2023	<u>13,763</u>	<u>-49,045</u>	<u>-35,282</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Naviga A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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 at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and 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 at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

### Income statement

#### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services, which includes maintenance, hosting, subscription etc. to the media industry is recognised in revenue on a straight-line basis as the services are rendered because the services are rendered in the form of an indefinite number of actions over a specified period of time. Revenue corresponds to the selling price of the services rendered in the year (percentage of completion method).

When entering into sales contracts that consist of several separate components, the contract amount is allocated by the individual components based on the relative fair value approach. The separate components are recognized as revenue when the criteria applicable to sale of goods and services have been met.

A contract is allocated by individual components when the fair value of these individual components can be reliably measured and when each component represents a separate value to the buyer. Sales components are deemed to represent a separate value to the buyer when the component is individually identifiable and is normally sold separately.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognized in revenue.

#### Gross profit/loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, administration, bad debts etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Tools and equipment	3-5 years
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##### Write-downs of current assets in excess of normal impairment

Write-downs of current assets in excess of normal impairment comprise impairment losses on receivables from group entities, which are considered unusual compared to those considered normal write-downs for bad debts.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense and realized and unrealized gains and losses on deposits, receivables, payables and transactions denominated in foreign currencies.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Contract work in progress

Contract work in progress is recognized at cost comprising materials at cost and wages and salaries and other costs indirectly attributable to the individual orders.

Advance billing exceeding the value of work in progress on the individual order is recognized as current liabilities.

Selling costs and costs incurred in securing contracts are recognized in the income statement as incurred.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Cash

Cash consists of cash in bank accounts.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Prepayments received from customers

Prepayments received from customers relates to payments for services provided in the subsequent period.

##### Special items

Special items include significant income and expenses that are of a special nature in relation to the Company's profit-generating operating activities. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the Company's primary operation and which are not assumed to be recurring.

#### 2 Going concern uncertainties

The Company has net receivables amounting to DKK 64,231 thousand before write down towards affiliated companies in the Group, consisting of DKK 95,586 thousand in receivables and DKK 31,355 thousand in payables. A significant part of the receivables is towards Naviga Inc. which is owned by NAVIGA Intermediate Holdings LLC.

## Financial statements 1 January - 31 December

### Notes to the financial statements

The consolidated financial statements for 2023 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. On March 29, 2024 NAVIGA Intermediate Holdings LLC did not make an interest payment as required, which resulted in an event of Default on April 5, 2024. Following the presentation of the annual report for NAVIGA Intermediate Holdings LLC, the Group Management has negotiated an extended payment deadline to 30 June 2024, which the Group has not complied with and the Company's debt is again due for payment. The Group Management is negotiating a forbearance agreement with respect to the interest payment. Until this plan has been fully executed Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern.

Based on the above, the Management in Naviga A/S assesses, that there is a significant uncertainty related to the valuation of the receivables from group entities, as the affiliated companies may not have sufficient funding to repay these receivables. As a consequence of this uncertainty, the management of Naviga A/S has chosen to write down its receivables from group entities by DKK 95,586 thousand in the financial year 2023.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the forbearance plan, and if Naviga A/S is demanded to repay its intercompany debt, Naviga A/S, will not have sufficient financing and liquidity to do so from a stand-alone standpoint, and will not be able to secure financing by requesting payment from affiliated companies.

As a consequence of this, Management of Naviga A/S assesses that there is substantial doubt about the Company's ability to continue as going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As it is Group Managements expectation to get the forbearance plan fulfilled Management of Naviga A/S has prepared the financial statements under the assumption of going concern.

### 3 Capital ratio

The Company has lost more than half of its share capital, and the Company is therefore subject to the capital loss rules pursuant to section 119 of the Danish Companies Act. It is the Management's assessment that the share capital can be restored through future earnings and reversals of impairment of receivables from group entities in the coming years, and the financial statements have been prepared under the assumption of going concern.

### 4 Special items

Special items include significant income and expenses that are of a special nature in relation to the Company's profit-generating operating activities. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the Company's primary operation and which are not assumed to be recurring.

As disclosed in the Management's review, the loss for the year is affected by write downs on receivables from group entities that Management does not consider part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2023	2022
<b>Expenses</b>		
Write downs on receivables from group entities	-95,586	0
	-95,586	0
<b>Special items are recognised in the below items of the financial statements</b>		
Write-downs of current assets in excess of normal impairment	-95,586	0
<b>Net profit/loss on special items</b>	-95,586	0

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2023	2022
<b>5 Staff costs</b>		
Wages/salaries	2,857	2,747
Pensions	196	187
Other social security costs	14	32
	3,067	2,966
 Average number of full-time employees	 4	 4
 <b>6 Financial income</b>		
Interest receivable, group entities	25,319	13,842
Other financial income	1,052	4,299
	26,371	18,141
 <b>7 Financial expenses</b>		
Interest expenses, group entities	20,155	7,289
Other financial expenses	190	307
	20,345	7,596

### 8 Receivables from group entities

The Company has unrecognized receivables from group entities of DKK 95,586 thousand as of 31 December 2023. As a result of uncertainty about the Group's ability continue as going concern, the Management in Naviga A/S has chosen to write down its receivables from group entities, until the individual companies is able to pay back the intercompany receivables on a stand alone basis.

### 9 Prepayments

Of the total prepayments of DKK 439 thousand, DKK 67 thousand relates to prepayments due later than 1 year after the balance sheet date.

### 10 Deferred tax

Unrecognized deferred tax assets amount to DKK 14,781 thousand as of 31 December 2023, and relate to tax loss carry-forward of DKK 11,433 thousand and unused tax deductions in the form of time differences of DKK 3,348 thousand. The amount has not been recognized as the management assesses that there is uncertainty about its utilization within the next 2-3 years.

### 11 Non-current liabilities other than provisions

Of prepayments received from customers DKK 20 thousand relates to services that is provided more than 1 year after the balances date.

No liabilities falls for payment after more than 5 years after the balance sheet date.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Newscycle Denmark ApS. As a group company, the Company is unlimited and solid with other group companies for Danish corporate taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed companies' total known net obligation to the tax authorities is stated in the management company's financial statements, Newscycle Denmark ApS, CVR no. 35 38 46 93. Any subsequent corrections of joint taxation income and withholding tax, etc. will cause the Company's liability to constitute a smaller or larger amount.

#### 13 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Newscycle Solutions Holdings Inc	Bloomington, USA