

Cylindo ApS

Livjærgade 17B, 2. th, 2100 København Ø

CVR no. 34 47 81 71

Annual report 2023

Approved at the Company's annual general meeting on 27 June 2024

Chair of the meeting:

.....
Jostein Pedersen

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Cylindo ApS for the financial year 1 January - 31 December 2023.

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 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 my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 27 June 2024
Executive Board:

.....
Jostein Pedersen, CEO

Independent auditor's report

To the shareholder of Cylindo ApS

Opinion

We have audited the financial statements of Cylindo ApS 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.

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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aalborg, 27 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Hans B. Vistisen
State Authorised Public Accountant
mne23254

Mads Obel Knøsgaard
State Authorised Public Accountant
mne49041

Management's review

Company details

Name	Cylindo ApS
Address, Postal code, City	Livjærgade 17B, 2. th, 2100 København Ø
CVR no.	34 47 81 71
Established	12 April 2012
Financial year	1 January - 31 December
Executive Board	Jostein Pedersen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Østre Havnegade 65, 9000 Aalborg, Denmark

Management's review

Business review

The Company's primary activities are related to the development and providing visual content and software as a service to its customers.

Unusual matters having affected the financial statements

During the year, the Company sold its shares in Cylindo LLC with a profit of DKK 24,984 thousand. Please refer to note 3.

Other than the event mentioned above, the Company's financial position at 31 December 2023 and the result of its operation for the financial year ended 31 December 2023 are not affected by unusual matters.

Financial review

The income statement for 2023 shows a loss of DKK 21,503 thousand against a loss of DKK 29,686 thousand last year, and the balance sheet at 31 December 2023 shows a negative equity of DKK 72,935 thousand. The company has thus lost more than 50% of the share capital and is therefore subject to the capital loss rules in the Danish Companies Act section 119. To re-establish equity, Management considers capital injections from the parent company alongside with the Company's own earnings in the coming years. In April 2024, the Company converted a debt facility of DKK 20,933 thousand into equity via a capital increase.

Going Concern

The Company has received letter of support from the parent company Chaos Software Holding GmbH which commits itself, for the period of at least 12 months from 13 June 2024 to continue to financially support the Company, so that the Company has sufficient liquidity for the planned activities and operations and sufficient liquidity to meet its obligations as they may mature. Based on this, the Company's management has presented the annual report under the assumptions of going concern.

Change of accounting policy

With effect from 1 January 2023, the Company has implemented IFRS 15 for the interpretation of the provisions of the Danish Financial Statements Act. The financial statements for 2023 have been prepared on the basis of the new accounting policy. Due to application of the modified retrospective transition method, the comparative figures for 2022 have not been adjusted.

Upon implementation of IFRS 15 as of 1 January 2023, the Company has recognized a deferred revenue liability of DKK 22,895 thousand and capitalized contracts costs prepayments of DKK 20,317 thousand. The equity effect is thus DKK -2,579 thousand as of 1 January 2023. The 2023 result for the year has increased by DKK 9,367 thousand. Revenue has increased by DKK 3,659 thousand, while other external expenses has been reduced by DKK 6,409 thousand. There are no tax consequences as the Company's deferred tax asset is not recognized in the balance sheet as of 1 January and 31 December 2023.

Material misstatements in prior years

In 2023, management concluded that the Company incorrectly has recognized a loan from the parent company provided in 2022 as equity rather than payables to group enterprises as of 31 December 2022.

In 2023, as part of implementation of IFRS Accounting Standards as adopted by the EU in the consolidated financial statements in the parent company, management performed a thorough analysis of the accounting treatment of development projects under IAS 38. Management concluded that reliable measurement of costs related to the development projects are not possible and that the development projects cannot be measured adequately. Accordingly, costs incurred for development projects cannot be capitalized, as not all criteria under IAS 38 have been met and all developments costs should have been expensed in the income statement as incurred.

Due to the significance of the matters the Company has treated the matters in accordance with the provisions in section 52(2) of the Danish Financial Statements Act regarding correction of material misstatements. Consequently, the equity as of 1 January 2022 and the comparatives for 2022 have been restated in the financial statements.

Management's review

The restatements reduced equity by DKK 48,188 thousand as of 1 May 2022. There are no tax consequences as the Company's deferred asset is not recognised in the balance sheet as of 1 May 2022. In the comparatives for 2022 gross profit decreased by DKK 20,500 thousand, amortization/depreciation of intangible assets decreased by DKK 10,200 thousand and profit for the year decreased by DKK 10,200 thousand. The balance sheet total decreased by DKK 53,422 thousand at 31 December 2022. Payables to group enterprises increased by DKK 4,966 thousand at 31 December 2022. The equity at 31 December 2022 decreased by DKK 58,388 thousand. There are no tax consequences as the Company's deferred asset is not recognised in the balance sheet as of 31 December 2022.

Events after the balance sheet date

In April 2024, the Company converted a debt facility of DKK 20,933 thousand into equity via a capital increase.

No other material events 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 12 months	2022 8 months
	Revenue	120,314	65,735
	Other operating income	24,994	33
	Other external expenses	-137,479	-73,387
	Gross profit	7,829	-7,619
4	Staff costs	-25,815	-22,123
	Depreciation of property, plant and equipment	-771	-755
	Profit/loss before net financials	-18,757	-30,497
	Financial income	1,702	1,199
5	Financial expenses	-4,448	-388
	Profit/loss for the year	-21,503	-29,686
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-21,503	-29,686
		-21,503	-29,686

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	2,043	2,173
		<u>2,043</u>	<u>2,173</u>
7	Investments		
	Investments in group entities	81	80
	Deposits, investments	285	285
		<u>366</u>	<u>365</u>
	Total fixed assets	<u>2,409</u>	<u>2,538</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	13,633	13,728
	Receivables from group enterprises	17,642	613
	Other receivables	375	372
8	Prepayments	27,176	749
		<u>58,826</u>	<u>15,462</u>
	Cash	5,992	1,700
	Total non-fixed assets	<u>64,818</u>	<u>17,162</u>
	TOTAL ASSETS	<u>67,227</u>	<u>19,700</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	200	200
	Retained earnings	-73,135	-49,053
	Total equity	<u>-72,935</u>	<u>-48,853</u>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Payables to group entities	22,445	14,881
	Other payables	1,172	1,172
		<u>23,617</u>	<u>16,053</u>
	Current liabilities other than provisions		
9	Short-term part of long-term liabilities other than provisions	8,198	0
	Trade payables	10,289	3,665
	Payables to group enterprises	54,288	22,548
	Other payables	2,632	2,487
10	Deferred income	41,138	23,800
		<u>116,545</u>	<u>52,500</u>
	Total liabilities other than provisions	<u>140,162</u>	<u>68,553</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>67,227</u></u>	<u><u>19,700</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 3 Special items
- 11 Contractual obligations and contingencies, etc.
- 12 Contingent assets

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 May 2022	200	28,821	29,021
Adjustment of equity through corrections of errors	0	-48,188	-48,188
Transfer through appropriation of loss	0	-29,686	-29,686
Equity at 1 January 2023	200	-49,053	-48,853
Adjustment of equity through changes in accounting policies	0	-2,579	-2,579
Transfer through appropriation of loss	0	-21,503	-21,503
Equity at 31 December 2023	200	-73,135	-72,935

The equity amounts to DKK -72,935 thousand as of 31 December 2023. The company has thus lost more than 50% of the share capital and is therefore subject to the capital loss rules in the Danish Companies Act section 119. To re-establish equity, Management considers capital injections from the parent company alongside with the Company's own earnings in the coming years.

In April 2024, the Company converted a debt facility of DKK 20,933 thousand into equity via a capital increase.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Cylindo ApS 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.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared Consolidated financial statements. The financial statements of Cylindo ApS are included in the consolidated financial statements of Chaos Software Holding GmbH, Karlsruhe, Germany, (reg. no. HRB 270142)

Changes in accounting policies

With effect from 1 January 2023, the Company has chosen to implement IFRS 15 Revenue from Contracts with Customers as the basis for interpretation of the provisions of the Danish Financial Statements Act on revenue accounting in order to follow the latest development in the area. IFRS 15 replaces the revenue standards IAS 11 and IAS 18. The company has implemented IFRS 15 with modified retroactive effect (the cumulative effect method). The cumulative impact of IFRS 15 implementation is recognised directly on equity as of 1 January 2023. The comparison figures for 2022 are not adjusted.

The most significant changes in IFRS 15 are in relation to previous accounting policies:

- ▶ A sales transaction must be recognised as revenue in the income statement as control (which can happen either at a certain time or over time) over the goods or service is transferred to the customer. The previous "risk and rewards" concept has therefore been replaced by a control concept.
- ▶ More detailed guidance on how to identify multiple sales transactions in a customer contract and how to recognise and measure each component.

Upon implementation of IFRS 15 as of 1 January 2023, the Company has recognized a deferred revenue liability of DKK 22,895 thousand and capitalized contracts costs prepayments of DKK 20,317 thousand. The equity effect is thus DKK -2,579 thousand as of 1 January 2023. The 2023 result for the year has increased by DKK 9,367 thousand. Revenue has increased by DKK 3,659 thousand, while other external expenses has been reduced by DKK 6,409 thousand. There are no tax consequences as the Company's deferred tax asset is not recognized in the balance sheet as of 1 January and 31 December 2023.

Apart from the above, the financial statements are made according to the same accounting policies as last year.

Material misstatements

In 2023, management concluded that the Company incorrectly has recognized a loan from the parent company provided in 2022 as equity rather than payables to group enterprises as of 31 December 2022.

In 2023, as part of implementation of IFRS Accounting Standards as adopted by the EU in the consolidated financial statements in the parent company, management performed a thorough analysis of the accounting treatment of development projects under IAS 38. Management concluded that reliable measurement of costs related to the development projects are not possible and that the development projects cannot be measured adequately. Accordingly, costs incurred for development projects cannot be capitalized, as not all criteria under IAS 38 have been met and all developments costs should have been expensed in the income statement as incurred.

Due to the significance of the matters the Company has treated the matters in accordance with the provisions in section 52(2) of the Danish Financial Statements Act regarding correction of material misstatements. Consequently, the equity as of 1 January 2022 and the comparatives for 2022 have been restated in the financial statements.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The restatements reduced equity by DKK 48,188 thousand as of 1 May 2022. There are no tax consequences as the Company's deferred asset is not recognised in the balance sheet as of 1 May 2022. In the comparatives for 2022 gross profit decreased by DKK 20,500 thousand, amortization/depreciation of intangible assets decreased by DKK 10,200 thousand and profit for the year decreased by DKK 10,200 thousand. The balance sheet total decreased by DKK 53,422 thousand at 31 December 2022. Payables to group enterprises increased by DKK 4,966 thousand at 31 December 2022. The equity at 31 December 2022 decreased by DKK 58,388 thousand. There are no tax consequences as the Company's deferred asset is not recognised in the balance sheet as of 31 December 2022.

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 rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

Income statement

Revenue

The company has chosen to use IFRS 15 to interpret the provisions of the Danish Financial Statements Act for the recognition of revenue.

Revenue is measured on the basis of the consideration promised in the contract with a customer. Amounts collected on behalf of third parties are excluded. The Company recognizes revenue when control of goods or services is transferred to the customer.

Revenue is recognized using the five-step model to determine the amount and timing of revenue. The amount of revenue recognized reflects the consideration the Company receives or will receive from the customer.

The Company's activities are based on Software as a Service (SaaS).

The Company allows its customers to create 3D master assets and materials and render product variants under a pure SaaS model. Customized library materials, 360 HD viewers, content API and customized creation capabilities are also offered. The service is provided in two phases:

(1) Product platform creation phase: In the first phase, Cylindo sets up an individual online product platform for its customers and works with them to produce individual 3D visualizations of furniture and room designs in the Cylindo system landscape.

(2) Subscription phase: In the second phase, customers pay regularly, usually monthly or annually, to access the Cylindo platform and related services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The customer obtains the desired visualization output through the license during the product setup phase and the online product platform which is subsequently implemented. The product setup and subscription phases are two interdependent services. Without a platform license that allows customers to access the 3D master assets created specifically for them, they cannot benefit from the product set up by Cylindo. Conversely, without the initial product setup, the customer cannot benefit from the platform license and thus generate economic value. Consequently, the customer simultaneously receives and consumes the benefits resulting from the delivery of the product platform and the continuous provision of the cloud functionalities over the individual contract period. The Company therefore recognizes both revenue realized in the creation phase and revenue realized in the subscription phase evenly over the contract period.

Prepayments received from customers for software as a service contracts are accounted for as deferred revenue in the balance sheet and substantially taken to revenue over the individual contract period. The Company recognizes revenue for these services over the period of the initial software service contract.

Contract costs are capitalized. For contract costs that can be clearly attributed to a specific contract, Cylindo determines when the liability is recognized whether these costs should be capitalized or immediately expensed. If expenses are capitalized as contract costs, amortization begins at the inception of the customer contract and the asset is amortized over the entire term of the contract.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, research and development costs that do not qualify for capitalisation 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. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and 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:

Fixtures and fittings, other plant and equipment	5 years
--	---------

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Deposits, investments

Deposits are measured at cost.

Investments in group entities

Investments in group entities are measured at cost. Dividends received that exceed the accumulated earnings in the group entity during the period of ownership are treated as a reduction in the cost of acquisition.

Gains and losses on disposal of group entities are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in group entities 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, usually equalling nominal value less writedowns for bad and doubtful debts.

An impairment is recognised if there is objective evidence that a receivable is impaired.

Prepayments

Prepayments recognised under "Assets" comprise contract costs amortized over the useful life of contracts. Other prepayments comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash and deposits at banks.

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. 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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

Deferred income

Deferred revenue relates to prepayments received from customers for which revenue is recognized over time. The prepayments are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2 Events after the balance sheet date

In April 2024, the Company converted a debt facility of DKK 20,933 thousand into equity via a capital increase.

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

3 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 lump sums which, in the opinion of management, are not part of the company's primary operations and which are not assumed to be recurrent.

As mentioned in the management's report, the result for the year is affected by a number of factors that differ from what management assesses as part of the primary operation.

Special items for the year are specified below, including where these are recognised in the income statement.

DKK'000	2023 12 months	2022 8 months
Income		
Gain on the sale of shares in Cylindo LLC (group enterprises)	24,984	0
	24,984	0
Special items are recognised in the below items of the financial statements		
Other operating income	24,984	0
Net profit on special items	24,984	0

Financial statements 1 January - 31 December

Notes to the financial statements

	2023 12 months	2022 8 months	
DKK'000			
4 Staff costs			
Wages/salaries	24,496	21,723	
Pensions	1,232	136	
Other social security costs	87	264	
	<u>25,815</u>	<u>22,123</u>	
Average number of full-time employees	<u>31</u>	<u>39</u>	
5 Financial expenses			
Interest expenses, group entities	2,244	283	
Other financial expenses	2,204	105	
	<u>4,448</u>	<u>388</u>	
6 Property, plant and equipment		Fixtures and fittings, other plant and equipment	
DKK'000			
Cost at 1 January 2023		6,380	
Additions		641	
Cost at 31 December 2023		<u>7,021</u>	
Impairment losses and depreciation at 1 January 2023		4,207	
Depreciation		771	
Impairment losses and depreciation at 31 December 2023		<u>4,978</u>	
Carrying amount at 31 December 2023		<u>2,043</u>	
Depreciated over		<u>5 years</u>	
7 Investments			
DKK'000	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2023	80	285	365
Additions	1	0	1
Cost at 31 December 2023	<u>81</u>	<u>285</u>	<u>366</u>
Carrying amount at 31 December 2023	<u>81</u>	<u>285</u>	<u>366</u>
8 Prepayments			
Prepayments comprise contract costs amortized over the useful life of contracts and prepaid expenses regarding subsequent financial reporting years. Non-current portion of prepayments amounts to DKK 8,905 thousand as of 31 December 2023 (2022: DKK 0 thousand).			

Financial statements 1 January - 31 December

Notes to the financial statements

9 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Payables to group entities	30,643	8,198	22,445	22,445
Other payables	1,172	0	1,172	0
	<u>31,815</u>	<u>8,198</u>	<u>23,617</u>	<u>22,445</u>

10 Deferred income

Deferred revenue relates to prepayments received from customers for which revenue is recognized over time. The prepayments are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Non-current portion of deferred income amount to DKK 6,787 thousand as of 31 December 2023 (2022: DKK 0 thousand).

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes onwards as well as withholding taxes on interest, royalties and dividends.

12 Contingent assets

The company has tax loss carry-forwards totalling DKK 71,903 thousand. The nominal value thereof is 22%, totalling DKK 15,819 thousand. The deferred tax asset has not been recognised in the balance sheet due to the uncertainty as to application of the tax losses in the next 3-5 years.

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Jostein Pedersen

CEO

On behalf of: Cylindo ApS

Serial number: b2f5a74a-4ba6-4b22-8569-0c0073dfdaca

IP: 89.23.xxx.xxx

2024-06-30 09:40:14 UTC



Hans Børge Sinding Vistisen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 8e396adc-e0e6-4c96-9dae-606a551fad68

IP: 85.203.xxx.xxx

2024-06-30 09:53:36 UTC



Mads Obel Knøsgaard

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: f04d352a-011d-4f07-9df7-39c863661838

IP: 165.225.xxx.xxx

2024-07-01 05:47:41 UTC



Penneo document key: TODYW-EYN3Q-ULGJA-NFTXY-LLYIT-EEU4

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>