
THE 3D GROUP A/S

Skudehavnsvej 17A, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 36 03 73 69

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/7 2024

Jens Berthol Hansen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Group Chart	6
Financial Highlights	7
Management's Review	8
Financial Statements	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	15
Cash Flow Statement 1 January - 31 December	16
Notes to the Financial Statements	17

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of THE 3D GROUP 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Nordhavn, 4 July 2024

Executive Board

Jens Berthol Hansen
Manager

Board of Directors

Christian Frode Peytz
Chairman

Simon Rolf Klint Bergh

Henrik Lund-Nielsen

Independent Auditor's report

To the shareholders of THE 3D GROUP A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of THE 3D GROUP 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 a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 4 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Company information

The Company	THE 3D GROUP A/S Skudehavnsvej 17A 2150 Nordhavn CVR No: 36 03 73 69 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Christian Frode Peytz, chairman Simon Rolf Klint Bergh Henrik Lund-Nielsen
Executive Board	Jens Berthol Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
THE 3D GROUP A/S	Nordhavn, Danmark	
JewelryStudios.com A/S	Nordhavn, Danmark	100%
3D Print Scandinavia A/S	Nordhavn, Danmark	100%
3D Printhuset A/S	Nordhavn, Danmark	100%
3D Printhuset PRO A/S (Under frivillig likvidation)	Nordhavn, Danmark	100%
Cobod Holding A/S	Nordhavn, Danmark	100%
Archibod A/S	Nordhavn, Danmark	100%
COBOD International A/S	Nordhavn, Danmark	59,14%
COBOD Malaysia	Malaysia	100%
COBOD Inc.	USA	100%

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2023	2022
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	81,188	118,185
Other operating income	16,766	0
Gross profit	41,047	39,369
Profit/loss of primary operations	935	5,366
Profit/loss of financial income and expenses	-318	-1,045
Net profit/loss for the year	598	3,180
Balance sheet		
Balance sheet total	78,048	86,829
Investment in property, plant and equipment	7,149	7,154
Equity	28,710	28,006
Cash flows		
Cash flows from:		
- operating activities	1,799	7,322
- investing activities	-15,572	-14,168
- financing activities	4,567	10,441
Change in cash and cash equivalents for the year	-9,206	3,595
Number of employees	70	65
Ratios		
Gross margin	50.6%	33.3%
Profit margin	1.2%	4.5%
Return on assets	1.2%	6.2%
Solvency ratio	36.8%	32.3%
Return on equity	2.1%	10.3%

Management's review

Key activities

The group is the leading robotic 3D construction printing company globally. The main activities of the group are development, manufacturing, sales and service of robotic 3D construction printers and related equipment and activities. The group is global with customers in Asia, Africa, Australia, The Middle East, Europe, South, and North America.

Development in the year

Due to the increased interest rates construction activity was reduced in 2023, especially within the residential sector in Europe and the US. As this market used to be the primary market of the group, the interest for the groups technology slowed down leading to a 16% reduction in revenue and other income during 2023. Despite this, the income statement of the group for 2023 shows a modest net profit of DKK 598k. On the basis of how the market developed, management is satisfied with the result.

On 31 December 2023 the balance sheet of the Group showed an Equity of DKK 28,710k

The past year and follow-up on development expectations from last year

The result for 2023 was below expectations prevailing at the end of 2022, as the very negative market development in Europe and the US was only partly predicted at the end of 2022.

Targets and expectations for the year ahead

Management expects that the current market conditions will not change significantly during 2024 and therefore do not expect growth compared to previous years, and revenue on level with 2023. However, predictability in the present market conditions is low, and therefore there is a risk that revenue would end even lower. Despite the meager outlook for revenue, the Group expect to make a small profit for the year on level with the profit in 2023.

It is expected that interest rates will start to come down in the fall with the consequence of better growth expectations for 2025.

Research and development

The group is conducting significant R&D efforts related to automation, robotics and printing technologies and to construction methods and materials. Our aim remains to develop multifunctional construction robots based on 3D printing technology and the unique skills and competences of our extraordinary talented team which at the end of the financial year was 87 people, including interns and part-time student assistants.

The group is involved in several development cooperation communities and cooperations in R&D projects with some of the leading academic institutions and materials suppliers globally. Some of the R&D efforts have been expensed, while R&D efforts related to grants have been capitalized representing a valuable immaterial asset. The grant income related to the same R&D efforts has also been taken on the balance sheet under deferred income, reducing the net value of the capitalized asset and future amortisations.

The group's main knowledge resources are within 3D- and robotics software, materials mixing and handling, and 3D printing, forming the base for future growth and profitability.

A part of the R&D effort is the aim to reduce the level of cement within construction since cement carries a high CO2 footprint.

R&D efforts will continue on a very high level despite the modest sales level.

Uncertainty relating to recognition and measurement

We refer to note 1 for a description of the uncertainty related to recognition and measurement of development projects.

Management's review

Unusual events

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year 2023 includes an extraordinary settlement from a large customer, which amounted DKK 16.8m and was recognised as other income in the income statement. Apart from this, there have not been other material unusual events affecting the groups' financial statements.

The group has secured a credit facility with its bank to counter potential operational cash flow issues but has not made any withdrawals on the facility during 2023.

Subsequent events

Reference is made to note 21.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Gross profit	2	41,046,624	39,369,077	-100,029	-72,919
Staff expenses	3	-36,197,411	-31,644,997	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-3,914,671	-1,755,112	0	0
Other operating expenses		0	-603,296	0	0
Profit/loss before financial income and expenses		934,542	5,365,672	-100,029	-72,919
Income from investments in subsidiaries		0	0	-22,805	89,840,140
Financial income		225,598	10,179	12	0
Financial expenses		-543,865	-1,054,733	-1,072	-329,021
Profit/loss before tax		616,275	4,321,118	-123,894	89,438,200
Tax on profit/loss for the year	4	-18,414	-1,140,730	54,571	25,190
Net profit/loss for the year	5	597,861	3,180,388	-69,323	89,463,390

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Acquired other similar rights		2,453,443	2,263,551	0	0
Development projects in progress		19,060,630	12,495,421	0	0
Intangible assets	6	21,514,073	14,758,972	0	0
Land and buildings		816,692	1,016,696	0	0
Other fixtures and fittings, tools and equipment		12,610,767	8,505,614	0	0
Leasehold improvements		236,832	371,048	0	0
Property, plant and equipment	7	13,664,291	9,893,358	0	0
Investments in subsidiaries	8	0	0	15,410,957	14,222,396
Investments in associates	9	1,131,309	0	0	0
Deposits	10	1,842,278	1,936,906	0	0
Other receivables	10	4,373	0	0	0
Fixed asset investments		2,977,960	1,936,906	15,410,957	14,222,396
Fixed assets		38,156,324	26,589,236	15,410,957	14,222,396
Raw materials and consumables		11,666,712	15,230,806	0	0
Finished goods and goods for resale		7,855,402	3,770,115	0	0
Inventories		19,522,114	19,000,921	0	0
Trade receivables		5,792,422	4,356,430	0	0
Contract work in progress	11	0	12,523,857	0	0
Receivables from group enterprises		0	0	4,950,138	424,948
Other receivables		6,103,407	6,750,220	0	0
Corporation tax		615	0	0	0
Corporation tax receivable from group enterprises		0	0	497,308	25,190
Prepayments	12	201,326	130,474	0	0
Receivables		12,097,770	23,760,981	5,447,446	450,138

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Cash at bank and in hand		<u>8,272,244</u>	<u>17,478,149</u>	<u>36,866</u>	<u>5,031,696</u>
Current assets		<u>39,892,128</u>	<u>60,240,051</u>	<u>5,484,312</u>	<u>5,481,834</u>
Assets		<u>78,048,452</u>	<u>86,829,287</u>	<u>20,895,269</u>	<u>19,704,230</u>

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Share capital		970,189	970,189	970,189	970,189
Reserve for net revaluation under the equity method		0	0	5,297,707	5,359,396
Retained earnings		18,432,777	18,368,220	13,135,070	13,008,824
Equity attributable to shareholders of the Parent Company		19,402,966	19,338,409	19,402,966	19,338,409
Minority interests		9,307,344	8,667,617	0	0
Equity		28,710,310	28,006,026	19,402,966	19,338,409
Provision for deferred tax	13	2,492,821	2,950,975	0	0
Provisions relating to investments in group enterprises		0	0	630,000	0
Other provisions	14	3,695,435	3,895,742	0	0
Provisions		6,188,256	6,846,717	630,000	0
Other payables		134,251	134,251	0	0
Deferred income		10,085,121	5,366,439	0	0
Long-term debt	15	10,219,372	5,500,690	0	0
Credit institutions		0	324,725	0	0
Prepayments received from customers		9,524,333	3,145,438	0	0
Trade payables		16,718,136	32,016,307	0	0
Contract work in progress	11	2,947,965	8,725,268	0	0
Corporation tax		468,087	36,942	442,737	0
Deposits		2,023	0	0	0
Other payables	15	3,265,934	2,227,174	419,566	365,821
Deferred income	15, 16	4,036	0	0	0
Short-term debt		32,930,514	46,475,854	862,303	365,821
Debt		43,149,886	51,976,544	862,303	365,821
Liabilities and equity		78,048,452	86,829,287	20,895,269	19,704,230

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Uncertainty relating to recognition and measurement	1				
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Subsequent events	21				
Accounting Policies	22				

Statement of changes in equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	970,189	18,368,220	19,338,409	8,667,617	28,006,026
Exchange adjustments	0	-38,884	-38,884	-27,457	-66,341
Purchase of treasury shares	0	-23,745	-23,745	0	-23,745
Sale of treasury shares	0	196,509	196,509	0	196,509
Net profit/loss for the year	0	-69,323	-69,323	667,184	597,861
Equity at 31 December	970,189	18,432,777	19,402,966	9,307,344	28,710,310

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	970,189	5,359,396	13,008,824	19,338,409
Exchange adjustments relating to foreign entities	0	-38,884	0	-38,884
Purchase of treasury shares	0	0	-23,745	-23,745
Sale of treasury shares	0	0	196,509	196,509
Net profit/loss for the year	0	-22,805	-46,518	-69,323
Equity at 31 December	970,189	5,297,707	13,135,070	19,402,966

The Company owns as of 31. december 2023 1.29 % of the share capital with amounts to a nominal value DKK 12,474.

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		DKK	DKK
Result of the year		597,861	3,180,388
Adjustments	17	4,448,030	3,595,998
Change in working capital	18	-3,034,159	1,590,247
Cash flow from operations before financial items		2,011,732	8,366,633
Financial income		225,598	10,179
Financial expenses		-543,865	-1,054,733
Cash flows from ordinary activities		1,693,465	7,322,079
Corporation tax paid		-46,038	0
Other adjustments		151,961	0
Cash flows from operating activities		1,799,388	7,322,079
Purchase of intangible assets		-7,291,695	-8,399,252
Purchase of property, plant and equipment		-7,149,010	-4,510,533
Fixed asset investments made etc		-1,131,309	-1,258,152
Cash flows from investing activities		-15,572,014	-14,167,937
Repayment of loans from credit institutions		-324,725	0
Repayment of other long-term debt		4,718,682	-41,972
Purchase of treasury shares		-23,745	0
Sale of treasury shares		196,509	90,191,544
Dividend paid		0	-80,685,453
Other adjustments		0	977,362
Cash flows from financing activities		4,566,721	10,441,481
Change in cash and cash equivalents		-9,205,905	3,595,623
Cash and cash equivalents at 1 January		17,478,149	13,882,526
Cash and cash equivalents at 31 December		8,272,244	17,478,149
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		8,272,244	17,478,149
Cash and cash equivalents at 31 December		8,272,244	17,478,149

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

In the annual report, the carrying amount of development projects is DKK 19,061k. It is management's assessment that there is no need for impairment of development projects as the group's long term financial development is realized as expected.

The development projects are associated with a number of estimates and uncertainties regarding assumptions about future events.

Management considers the applied assumptions used to be reasonable, these are, however, associated with some uncertainty and unpredictability, especially regarding future profits for the individual projects. If the applied assumptions are not met or only partially met the carrying amount of the capitalized development costs will be negatively affected.

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
2. Special items				
Recived compensation	16,765,650	0	0	0
	16,765,650	0	0	0

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
3. Staff Expenses				
Wages and salaries	32,952,340	27,720,469	0	0
Pensions	1,616,503	1,295,681	0	0
Other social security expenses	216,960	584,466	0	0
Other staff expenses	1,411,608	2,044,381	0	0
	36,197,411	31,644,997	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	70	65	1	1
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Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
4. Income tax expense				
Current tax for the year	680,177	37,533	-22,240	-25,190
Deferred tax for the year	-682,035	1,103,197	-32,331	0
Adjustment of deferred tax concerning previous years	20,272	0	0	0
	18,414	1,140,730	-54,571	-25,190

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
5. Profit allocation				
Extraordinary dividend paid	0	80,685,453	0	80,685,453
Proposed dividend for the year	630,000	0	0	0
Reserve for net revaluation under the equity method	-630,000	0	-22,805	594,396
Minority interests' share of net profit/loss of subsidiaries	667,184	2,505,178	0	0
Retained earnings	-69,323	-80,010,243	-46,518	8,183,541
	597,861	3,180,388	-69,323	89,463,390

Notes to the Financial Statements

6. Intangible fixed assets

Group

	Acquired other similar rights	Develop- ment projects in progress
	DKK	DKK
Cost at 1 January	2,790,381	12,495,421
Additions for the year	726,486	6,565,209
Cost at 31 December	<u>3,516,867</u>	<u>19,060,630</u>
Impairment losses and amortisation at 1 January	526,830	0
Amortisation for the year	536,594	0
Impairment losses and amortisation at 31 December	<u>1,063,424</u>	<u>0</u>
Carrying amount at 31 December	<u>2,453,443</u>	<u>19,060,630</u>
Amortised over	<u>5 years</u>	

Development projects relate to the further development of the Company's 3D construction printers and also 3D construction print applications, such as printing wind turbine towers or seawalls.

The further development consists among other things of new types, various additional accessories, systems and applications.

The development projects are partly covered by grants. The income from the grants has been recognized as deferred income cf. note 15.

We refer to note 1 for a description of the uncertainty related to recognition and measurement of development projects.

Notes to the Financial Statements

7. Property, plant and equipment Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK	DKK
Cost at 1 January	1,993,009	11,498,455	463,545
Additions for the year	0	7,149,010	0
Cost at 31 December	<u>1,993,009</u>	<u>18,647,465</u>	<u>463,545</u>
Impairment losses and depreciation at 1 January	976,313	2,992,841	92,497
Depreciation for the year	200,004	3,043,857	134,216
Impairment losses and depreciation at 31 December	<u>1,176,317</u>	<u>6,036,698</u>	<u>226,713</u>
Carrying amount at 31 December	<u>816,692</u>	<u>12,610,767</u>	<u>236,832</u>
Amortised over	<u>10 years</u>	<u>3-5 years</u>	<u>5 years</u>

Notes to the Financial Statements

	Parent company	
	2023	2022
	DKK	DKK
8. Investments in subsidiaries		
Cost at 1 January	8,863,000	8,863,000
Cost at 31 December	8,863,000	8,863,000
Value adjustments at 1 January	-2,869,604	-709,744
Exchange adjustment	-38,884	0
Net profit/loss for the year	-22,805	89,840,140
Dividend to the Parent Company	0	-92,000,000
Value adjustments at 31 December	-2,931,293	-2,869,604
Equity investments with negative net asset value amortised over receivables	8,849,250	8,229,000
Equity investments with negative net asset value transferred to provisions	630,000	0
Carrying amount at 31 December	15,410,957	14,222,396

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
JewelryStudios.com A/S	Nordhavn, Danmark	503.000	100%
3D Print Scandinavia A/S	Nordhavn, Danmark	500.000	100%
3D Printhuset A/S	Nordhavn, Danmark	510.000	100%
Cobod Holding A/S	Nordhavn, Danmark	500.000	100%

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
9. Investments in associates				
Cost at 1 January	0	0	0	0
Additions for the year	1,131,309	0	0	0
Cost at 31 December	1,131,309	0	0	0
Carrying amount at 31 December	1,131,309	0	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Orascom Construction	Egypten	4,713,786	24%

10. Other fixed asset investments

Group

	Deposits	Other receivables
	DKK	DKK
Cost at 1 January	1,936,906	0
Additions for the year	0	4,373
Disposals for the year	-29,628	0
Cost at 31 December	1,907,278	4,373
Impairment losses at 1 January	0	0
Impairment losses for the year	65,000	0
Impairment losses at 31 December	65,000	0
Carrying amount at 31 December	1,842,278	4,373

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
11. Contract work in progress				
Selling price of work in progress	3,202,383	36,794,316	0	0
Payments received on account	-6,150,348	-32,995,727	0	0
	-2,947,965	3,798,589	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	0	12,523,857	0	0
Prepayments received recognised in debt	-2,947,965	-8,725,268	0	0
	-2,947,965	3,798,589	0	0

12. Prepayments

Prepayments consist of prepaid expenses concerning service contracts, insurance premiums and subscriptions.

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
13. Provision for deferred tax				
Deferred tax liabilities at 1 January	2,950,975	1,847,778	0	0
Amounts recognised in the income statement for the year	-682,035	1,103,197	-32,331	0
Amounts recognised in equity for the year	223,881	0	32,331	0
Deferred tax liabilities at 31 December	2,492,821	2,950,975	0	0

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
DKK	DKK	DKK	DKK

14. Other provisions

The Group provides warranties of 14 months on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 3,695k (2022: DKK 3,896k) have been recognised for potential warranty claims.

Guarantee provisions	3,695,435	3,895,742	0	0
	3,695,435	3,895,742	0	0

The provisions are expected to mature as follows:

Within 1 year	2,095,435	0	0	0
Between 1 and 5 years	1,600,000	0	0	0
After 5 years	0	3,895,742	0	0
	3,695,435	3,895,742	0	0

Group		Parent company	
2023	2022	2023	2022
DKK	DKK	DKK	DKK

15. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	134,251	134,251	0	0
Long-term part	134,251	134,251	0	0
Other short-term payables	3,265,934	2,227,174	419,566	365,821
	3,400,185	2,361,425	419,566	365,821

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
15. Long-term debt				
Deferred income				
After 5 years	0	0	0	0
Between 1 and 5 years	10,085,121	5,366,439	0	0
Long-term part	10,085,121	5,366,439	0	0
Other deferred income	4,036	0	0	0
	10,089,157	5,366,439	0	0

The deferred income relates to grants regarding development projects. The development projects have a total value of DKK 19 million. See note 6 for description of the development projects.

16. Deferred income

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

	Group	
	2023	2022
	DKK	DKK
17. Cash flow statement - Adjustments		
Financial income	-225,598	-10,179
Financial expenses	543,865	1,054,733
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,914,671	1,755,112
Tax on profit/loss for the year	18,414	1,140,730
Exchange adjustments	-66,341	-1,088
Other adjustments	263,019	-343,310
	4,448,030	3,595,998

Notes to the Financial Statements

	Group	
	2023	2022
	DKK	DKK
18. Cash flow statement - Change in working capital		
Change in inventories	-521,193	-18,388,350
Change in receivables	11,663,826	14,620,360
Change in other provisions	-200,307	-1,103,197
Change in trade payables, etc	-13,976,485	6,461,434
	<u>-3,034,159</u>	<u>1,590,247</u>

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
19. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	260,860	347,195	0	0
Between 1 and 5 years	1,636,666	2,101,136	0	0
After 5 years	576,242	715,178	0	0
	<u>2,473,768</u>	<u>3,163,509</u>	<u>0</u>	<u>0</u>
Guarantee obligations				
	0	1,946,955	0	0

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
DKK	DKK	DKK	DKK

19. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Group has a credit facility with its bank. The credit facility amounts to DKK 10m. No withdrawals were made during 2023 or at the date of the balance sheet. If and when the Group makes a withdrawing under the credit facility agreement, a Group charge will be issued to the bank (lender). The Groups charge is limited to DKK 10m and constitutes the following assets: Inventory, trade receivables, intangibles assets relating to acquired rights and other fixtures and fitting, tools and equipment.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 468,087. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

20. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

21. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

22. Accounting policies

The Annual Report of THE 3D GROUP A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, THE 3D GROUP A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract 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 Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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 the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with danske datterselskaber. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost. Capitalised development costs that are completed are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work.

Other intangible fixed assets

Other intangible fixed assets comprise acquired rights. Rights are measured at the lower of cost less accumulated amortisation and recoverable amount.

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

Production buildings	10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and 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 amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries are recognised and measured under the equity method. Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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 raw materials and consumables equals landed cost.

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Notes to the Financial Statements

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Provisions

Other provisions include warranty obligations in respect of repair work within the warranty period of 14 months. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

Deferred income

Deferred income comprises payments relating to grants provided for the development projects, and is recognized as income in a methodical way over the useful life of the asset.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise .

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$