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# ***COBOD International A/S***

Skudehavnsvej 17, DK-2150 Nordhavn

## **Annual Report for 2023**

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CVR No. 38 15 18 86

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>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company information	4
Financial Highlights	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance sheet 31 December	9
Statement of changes in equity	11
Notes to the Financial Statements	12

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of COBOD International 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 at 31 December 2023 of the Company and of the results of the Company operations 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.

Copenhagen, 4 July 2024

## Executive Board

Henrik Lund-Nielsen  
CEO

Jens Berthol Hansen  
Chief Financial Officer

## Board of Directors

Lars Bugge  
Chairman

Simon Rolf Klint Bergh

Christian Frode Peytz

Carl Frederick Heathcote

# Independent Auditor's report

To the shareholders of COBOD International A/S

## Opinion

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.

We have audited the Financial Statements of COBOD International 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 ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the 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 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 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.

# 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

Hellerup, 4 July 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Ulrik Ræbild

State Authorised Public Accountant

mne33262

## Company information

<b>The Company</b>	COBOD International A/S Skudehavnsvej 17 2150 Nordhavn  CVR No: 38 15 18 86 Financial period: 1 January - 31 December Incorporated: 20 October 2016 Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Lars Bugge, chairman Simon Rolf Klint Bergh Christian Frode Peytz Carl Frederick Heathcote
<b>Executive Board</b>	Henrik Lund-Nielsen Jens Berthol Hansen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	80,838	116,766	83,460	25,110	12,862
Other operating income	16,766	0	0	0	0
Gross profit	36,728	37,790	25,803	9,321	4,946
Profit/loss of primary operations	2,026	7,453	8,926	875	-46
Profit/loss of financial income and expenses	-552	-387	-214	-106	-34
Net profit/loss for the year	1,283	5,962	6,977	722	151
<b>Balance sheet</b>					
Balance sheet total	77,157	79,104	69,706	20,024	12,771
Investment in property, plant and equipment	7,073	7,154	4,020	2,181	2,313
Equity	22,349	21,066	17,604	9,139	6,177
<b>Ratios</b>					
Gross margin	45.4%	32.4%	30.9%	37.1%	38.5%
Profit margin	2.5%	6.4%	10.7%	3.5%	-0.4%
Return on assets	2.6%	9.4%	12.8%	4.4%	-0.4%
Solvency ratio	29.0%	26.6%	25.3%	45.6%	48.4%
Return on equity	5.9%	30.8%	52.2%	9.4%	2.5%

The ratios have been prepared in accordance with definitions described under accounting policies.

# Management's review

## Key activities

The company is the leading robotic 3D construction printing company globally. The main activities of the company are development, manufacturing, sales and service of robotic 3D construction printers and related equipment and activities. The company 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 company, the interest for the companies' technology slowed down leading to a 16% reduction in revenue and other income during 2023. Despite this, the income statement of the Company for 2023 shows a modest Profit before tax of DKK 1,474k and a net profit of DKK 1,283k. On the basis of how the market developed, management is satisfied with the result.

On 31 December 2023 the balance sheet of the Company showed an Equity of DKK 22,349k.

## 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 company 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 company 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 company 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 company'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 2 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 Company and the results of the activities and cash flows of the Company 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 Company's financial statements.

The company 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 20.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Revenue		80,838,306	116,766,090
Work on own account recognised in assets		6,494,024	4,216,882
Other operating income	3	16,765,650	0
Expenses for raw materials and consumables		-44,410,033	-64,241,089
Other external expenses		-22,959,898	-18,951,886
<b>Gross profit</b>		<b>36,728,049</b>	<b>37,789,997</b>
Staff expenses	4	-30,787,760	-27,978,873
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-3,914,671	-1,755,112
Other operating expenses		0	-603,296
<b>Profit/loss before financial income and expenses</b>		<b>2,025,618</b>	<b>7,452,716</b>
Financial income		160,063	3,447
Financial expenses		-712,004	-390,545
<b>Profit/loss before tax</b>		<b>1,473,677</b>	<b>7,065,618</b>
Tax on profit/loss for the year	5	-191,044	-1,103,197
<b>Net profit/loss for the year</b>	6	<b>1,282,633</b>	<b>5,962,421</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Acquired other similar rights		2,453,443	2,263,551
Development projects in progress		19,060,630	12,495,421
<b>Intangible assets</b>	7	<b>21,514,073</b>	<b>14,758,972</b>
Land and buildings		816,692	1,016,696
Other fixtures and fittings, tools and equipment		12,534,977	8,505,614
Leasehold improvements		236,832	371,048
<b>Property, plant and equipment</b>	8	<b>13,588,501</b>	<b>9,893,358</b>
Investments in subsidiaries	9	810,415	810,415
Investments in associates	10	1,131,309	0
Deposits	11	1,842,278	1,936,906
<b>Fixed asset investments</b>		<b>3,784,002</b>	<b>2,747,321</b>
<b>Fixed assets</b>		<b>38,886,576</b>	<b>27,399,651</b>
Raw materials and consumables		11,666,712	15,230,806
Finished goods and goods for resale		7,855,402	3,770,114
<b>Inventories</b>		<b>19,522,114</b>	<b>19,000,920</b>
Trade receivables		5,791,137	3,819,223
Contract work in progress	12	0	12,523,857
Receivables from group enterprises		321,471	172,881
Other receivables		5,853,298	6,468,254
Prepayments	13	201,326	130,474
<b>Receivables</b>		<b>12,167,232</b>	<b>23,114,689</b>
Cash at bank and in hand		6,580,633	9,588,947
<b>Current assets</b>		<b>38,269,979</b>	<b>51,704,556</b>
<b>Assets</b>		<b>77,156,555</b>	<b>79,104,207</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		625,500	625,500
Reserve for development costs		14,867,291	9,746,428
Retained earnings		6,855,772	10,694,002
<b>Equity</b>		<b>22,348,563</b>	<b>21,065,930</b>
Provision for deferred tax	14	2,492,821	2,950,975
Other provisions	15	3,695,435	3,895,742
<b>Provisions</b>		<b>6,188,256</b>	<b>6,846,717</b>
Deferred income		10,085,121	5,366,440
<b>Long-term debt</b>	16	<b>10,085,121</b>	<b>5,366,440</b>
Prepayments received from customers		9,524,333	2,883,803
Trade payables		16,185,569	31,353,743
Contract work in progress	12	2,947,965	8,725,268
Payables to group enterprises		6,341,028	909,887
Payables to group enterprises relating to corporation tax		649,198	0
Other payables		2,886,522	1,952,419
<b>Short-term debt</b>		<b>38,534,615</b>	<b>45,825,120</b>
<b>Debt</b>		<b>48,619,736</b>	<b>51,191,560</b>
<b>Liabilities and equity</b>		<b>77,156,555</b>	<b>79,104,207</b>
Capital Resources	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	18		
Related parties	19		
Subsequent events	20		
Accounting Policies	21		

## Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	625,500	9,746,428	10,694,002	21,065,930
Development costs for the year	0	5,120,863	-5,120,863	0
Net profit/loss for the year	0	0	1,282,633	1,282,633
<b>Equity at 31 December</b>	<b>625,500</b>	<b>14,867,291</b>	<b>6,855,772</b>	<b>22,348,563</b>

# Notes to the Financial Statements

## 1. Capital Resources

To strengthen the company's capital resources, the shareholders have increased their loan to the company by a total of DKK 15 million in 2024. On the basis of the new loans and the current bank facility it is Management's assessment that the company's capital resources are sufficient to maintain the current level of activity in the company.

## 2. 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 company'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.

The annual report has been prepared on the basis of management's best estimates and assessments at the time of presentation of the annual report.

## 3. Special items

Received compensation

	2023	2022
	DKK	DKK
	16,765,650	0
	<b>16,765,650</b>	<b>0</b>

The Company had in previous financial years entered a collaboration agreement with a potential large customer. The agreement was terminated in 2023 by the counterpart, and as a result, the Company received a compensation of DKK 16.8m, which has been recognized as "Other operating income."

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Staff Expenses</b>		
Wages and salaries	27,700,073	24,316,843
Pensions	1,488,288	1,168,993
Other social security expenses	202,025	452,357
Other staff expenses	1,397,374	2,040,680
	<u>30,787,760</u>	<u>27,978,873</u>
Including remuneration to the Executive Board	<u>2,591,870</u>	<u>2,028,453</u>
Average number of employees	<u>59</u>	<u>54</u>

The members of the Board of Directors do not receive remuneration for their work.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>5. Income tax expense</b>		
Current tax for the year	649,198	0
Deferred tax for the year	-478,426	1,103,197
Adjustment of deferred tax concerning previous years	20,272	0
	<u>191,044</u>	<u>1,103,197</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>6. Profit allocation</b>		
Retained earnings	1,282,633	5,962,421
	<u>1,282,633</u>	<u>5,962,421</u>

## Notes to the Financial Statements

### 7. Intangible fixed assets

	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>
<b>Carrying amount at 31 December</b>	<b><u>2,453,443</u></b>	<b><u>19,060,630</u></b>
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 16.

We refer to note 2 for a description of the uncertainty related to recognition and measurement of development projects.

### 8. Property, plant and equipment

	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	7,073,220	0
Cost at 31 December	<u>1,993,009</u>	<u>18,571,675</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>
<b>Carrying amount at 31 December</b>	<b><u>816,692</u></b>	<b><u>12,534,977</u></b>	<b><u>236,832</u></b>
Amortised over	<u>10 years</u>	<u>3-5 years</u>	<u>5 years</u>



## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>9. Investments in subsidiaries</b>		
Cost at 1 January	810,415	810,415
Cost at 31 December	810,415	810,415
<b>Carrying amount at 31 December</b>	<b>810,415</b>	<b>810,415</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
COBOD North America Inc.	USA	6,972	100%
Cobod Asia Pacific SDN BHD	Malaysia	803,443	100%

	2023	2022
	DKK	DKK
<b>10. Investments in associates</b>		
Cost at 1 January	0	0
Additions for the year	1,131,309	0
Cost at 31 December	1,131,309	0
<b>Carrying amount at 31 December</b>	<b>1,131,309</b>	<b>0</b>

Investments in associates are specified as follows:

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

# Notes to the Financial Statements

## 11. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	1,936,906
Disposals for the year	-29,628
Cost at 31 December	<u>1,907,278</u>
Impairment losses at 1 January	0
Impairment losses for the year	65,000
Impairment losses at 31 December	<u>65,000</u>
<b>Carrying amount at 31 December</b>	<b><u>1,842,278</u></b>

Other fixed asset investments relate to deposits for tenancy and suppliers.

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

## 13. Prepayments

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

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>14. Provision for deferred tax</b>		
Deferred tax liabilities at 1 January	2,950,975	1,847,778
Amounts recognised in the income statement for the year	-478,426	1,103,197
Amounts recognised in equity for the year	20,272	0
<b>Deferred tax liabilities at 31 December</b>	<u><b>2,492,821</b></u>	<u><b>2,950,975</b></u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>15. Other provisions</b>		
<p>The Company 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.</p>		
Guarantee provisions	<u>3,695,435</u>	<u>3,895,742</u>
	<u><b>3,695,435</b></u>	<u><b>3,895,742</b></u>

The provisions are expected to mature as follows:

Within 1 year	2,095,435	0
Between 1 and 5 years	1,600,000	0
After 5 years	0	3,895,742
	<u><b>3,695,435</b></u>	<u><b>3,895,742</b></u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>16. Long-term debt</b>		
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:		
<b>Deferred income</b>		
After 5 years	0	0
Between 1 and 5 years	<u>10,085,121</u>	<u>5,366,440</u>
Long-term part	10,085,121	5,366,440
Within 1 year	<u>0</u>	<u>0</u>
	<u><b>10,085,121</b></u>	<u><b>5,366,440</b></u>

The deferred income relates to grants regarding development projects. The development projects have a total value of DKK 19 million. See note 7 for description of the development projects.

## 17. Deferred income

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

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>18. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Payments under operating leases concerning cars	260,860	347,195
Rent payment	1,636,666	2,101,136
Payments under operating leases concerning machines	<u>576,242</u>	<u>715,178</u>
	<u><b>2,473,768</b></u>	<u><b>3,163,509</b></u>
<b>Guarantee obligations</b>		
The Company has issued third party guarantees of	0	1,946,955

# Notes to the Financial Statements

2023	2022
DKK	DKK

## 18. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The Company 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 Company makes a withdrawing under the credit facility agreement, a Company charge will be issued to the bank (lender). The Company 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 is disclosed in the Annual Report of The 3D Group A/S, which is the management company of the joint taxation purposes. 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 Company's liability.

## 19. Related parties and disclosure of consolidated financial statements

### Basis

#### Controlling interest

The 3D Group A/S  
COBOD Holding A/S

Ultimate parent company  
Majority shareholder

#### Transactions

During this financial year, the Company has obtained a loan from its Parent Company, Cobod Holding A/S. The principal loan amount is DKK 5,4m. Interest of 10% per year is compounded.

The Company leases a land site from another Group company, 3D Printhuset A/S. No rent is charged between the parties.

#### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
The 3D Group A/S	Copenhagen, Denmark

The Group Annual Report of The 3D Group A/S (Cvr: 36037369) may be obtained at the following address:

Skudehavnsvej 17A. 2150 Nordhavn, Copenhagen, Denmark

# Notes to the Financial Statements

## 20. Subsequent events

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

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of COBOD International 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 Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of The 3D Group A/S, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of The 3D Group A/S, the Company has not prepared a cash flow statement.

### Recognition and measurement

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

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

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

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

### Translation policies

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.

# Notes to the Financial Statements

## 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 Company. 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 revenue for the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales and 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.

### 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 Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Income from investments in subsidiaries and associates

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

### 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.



# Notes to the Financial Statements

## 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 The 3D Group A/S. 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).

## 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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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:

# Notes to the Financial Statements

Other 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.

## 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 and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

## Other fixed asset investments

Other fixed asset investments consist of paid 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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

## 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.

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.

# Notes to the Financial Statements

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.

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

### 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.

# Notes to the Financial Statements

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
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	$\text{Net profit for the year} \times 100 / \text{Average equity}$