

Proxima Centauri ApS

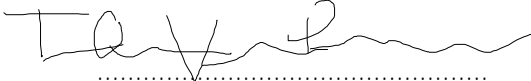
Hvidkærvej 2A, 5250 Odense SV

CVR no. 38 59 92 91

Annual report 2023

Approved at the Company's annual general meeting on 14 May 2024

Chair of the meeting:



.....
Troels Oliver Vilms Pedersen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Executive Board

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

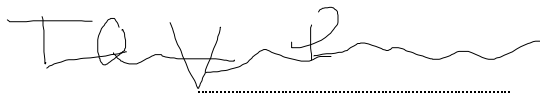
The annual report is prepared in accordance with the Danish Financial Statements Act.

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

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

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

Odense, 14 May 2024
Executive Board:



Troels Oliver Vilms
Pedersen
CEO



Christoffel Johannes
Stehmann
CEO

Independent auditor's report

To the shareholders of Proxima Centauri ApS

Conclusion

We have conducted an extended review of the financial statements of Proxima Centauri ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

Independent auditor's report

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

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

Odense, 14 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	Proxima Centauri ApS
Address, Postal code, City	Hvidkærvej 2A, 5250 Odense SV
CVR no.	38 59 92 91
Established	27 April 2017
Registered office	Odense
Financial year	1 January - 31 December
Executive Board	Troels Oliver Vilms Pedersen, CEO Christoffel Johannes Stehmann, CEO
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The Company's main activity is to develop and sell food equipment.

Financial review

The income statement for 2023 shows a loss of DKK 1,799,794 against a loss of DKK 98,642 last year, and the balance sheet at 31 December 2023 shows equity of DKK 1,448,797.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	2,702,240	1,194,849
2	Staff costs	-2,561,595	-599,008
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,377,074	-752,997
	Profit/loss before net financials	-2,236,429	-157,156
	Financial income	15,546	144
3	Financial expenses	-87,521	-129,687
	Profit/loss before tax	-2,308,404	-286,699
4	Tax for the year	508,610	188,057
	Profit/loss for the year	-1,799,794	-98,642
	Recommended appropriation of profit/loss		
	Other reserves	-1,234,285	957,630
	Retained earnings/accumulated loss	-565,509	-1,056,272
		-1,799,794	-98,642

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	4,295,910	5,196,936
	Acquired intangible assets	367,742	147,936
	Development projects in progress and prepayments for intangible assets	8,598	960,591
		<u>4,672,250</u>	<u>6,305,463</u>
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	200,876	139,861
	Leasehold improvements	33,460	45,589
		<u>234,336</u>	<u>185,450</u>
	Investments		
	Deposits, investments	39,600	39,600
		<u>39,600</u>	<u>39,600</u>
	Total fixed assets	<u>4,946,186</u>	<u>6,530,513</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	159,426	0
	Prepayments for goods	967,779	4,680,000
		<u>1,127,205</u>	<u>4,680,000</u>
	Receivables		
	Trade receivables	25,835	7,546
	Receivables from group enterprises	10	0
	Joint taxation contribution receivable	91,305	424,604
	Other receivables	233,867	244,266
	Prepayments	169,323	100,276
		<u>520,340</u>	<u>776,692</u>
	Cash	549,064	813,061
	Total non-fixed assets	<u>2,196,609</u>	<u>6,269,753</u>
	TOTAL ASSETS	<u>7,142,795</u>	<u>12,800,266</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	64,007	64,007
	Reserve for development costs	3,568,586	4,802,871
	Retained earnings	-2,183,796	-1,618,287
	Total equity	<u>1,448,797</u>	<u>3,248,591</u>
	Provisions		
	Deferred tax	580,398	997,703
	Total provisions	<u>580,398</u>	<u>997,703</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	150,000	0
		<u>150,000</u>	<u>0</u>
	Current liabilities other than provisions		
	Prepayments received from customers	2,104,634	3,554,580
	Trade payables	1,577,347	4,226,820
	Payables to group enterprises	908,675	679,606
	Payables to shareholders and management	6,829	6,829
	Other payables	366,115	86,137
		<u>4,963,600</u>	<u>8,553,972</u>
	Total liabilities other than provisions	<u>5,113,600</u>	<u>8,553,972</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>7,142,795</u></u>	<u><u>12,800,266</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022	64,007	3,845,241	-562,015	3,347,233
Transfer through appropriation of loss	0	957,630	-1,056,272	-98,642
Equity at 1 January 2023	64,007	4,802,871	-1,618,287	3,248,591
Transfer through appropriation of loss	0	-1,234,285	-565,509	-1,799,794
Equity at 31 December 2023	64,007	3,568,586	-2,183,796	1,448,797

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

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

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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

Gross profit

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

Cost of sales

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

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

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

Completed development projects	7 years
Acquired intangible assets	12 years
Fixtures and fittings, other plant and equipment	3 years
Leasehold improvements	5 years

Tax

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

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

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

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

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

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

Impairment of fixed assets

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

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

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

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

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

Receivables are measured at amortised cost.

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Income taxes

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers include amounts received from customers prior to the time of delivery of the agreed good or completion of the agreed service.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK		2023	2022		
2	Staff costs				
	Wages/salaries	2,764,396	1,012,684		
	Other social security costs	31,822	16,931		
	Capitalized labor costs	-234,623	-430,607		
		<u>2,561,595</u>	<u>599,008</u>		
	Average number of full-time employees	<u>6</u>	<u>3</u>		
3	Financial expenses				
	Interest expenses, group entities	35,144	15,347		
	Other financial expenses	52,377	114,340		
		<u>87,521</u>	<u>129,687</u>		
4	Tax for the year				
	Estimated tax charge for the year	-91,305	-424,604		
	Deferred tax adjustments in the year	-417,305	236,547		
		<u>-508,610</u>	<u>-188,057</u>		
5	Intangible assets				
		Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
	DKK				
	Cost at 1 January 2023	5,899,225	184,920	960,591	7,044,736
	Additions	210,389	256,600	204,635	671,624
	Transferred	1,156,628	0	-1,156,628	0
	Cost at 31 December 2023	<u>7,266,242</u>	<u>441,520</u>	<u>8,598</u>	<u>7,716,360</u>
	Impairment losses and amortisation at 1 January 2023	702,289	36,984	0	739,273
	Impairment losses for the year	1,230,008	0	0	1,230,008
	Amortisation for the year	1,038,035	36,794	0	1,074,829
	Impairment losses and amortisation at 31 December 2023	<u>2,970,332</u>	<u>73,778</u>	<u>0</u>	<u>3,044,110</u>
	Carrying amount at 31 December 2023	<u>4,295,910</u>	<u>367,742</u>	<u>8,598</u>	<u>4,672,250</u>

Financial statements 1 January - 31 December

Notes to the financial statements

5 Intangible assets (continued)

The total value for development projects, cf. the above, totals tDKK 4,305. Of these, a total of tDKK 9 relate to ongoing development projects that are either not fully developed or launched yet.

Management has reviewed both the completed and ongoing development projects. Based on this, it is the management's assessment that the development projects are recognised according to the best assessment based on expectations for the separate development projects.

The development projects include development and testing of machines for use in the process of sorting natural casings. Management has high expectations for the use of the machines and has not found any indication of impairment requirements in relation to the carrying values.

6 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	160,000	60,646	220,646
Additions	121,124	0	121,124
Cost at 31 December 2023	281,124	60,646	341,770
Impairment losses and depreciation at 1 January 2023	20,139	15,057	35,196
Depreciation	60,109	12,129	72,238
Impairment losses and depreciation at 31 December 2023	80,248	27,186	107,434
Carrying amount at 31 December 2023	200,876	33,460	234,336

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent company, Proxima Holding ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 20. January 2022.

Other financial obligations

Other rent and lease liabilities:

DKK	2023	2022
Rent and lease liabilities	253,030	440,170

8 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.