



Piaster Revisorerne
vi giver bedre råd

SiPhotonIC ApS

Virum Stationsvej 207, 2830 Virum

Company reg. no. 39 93 46 39

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 15 March 2024.

Yunhong Ding
Chairman of the meeting

Piaster Revisorerne, statsautoriseret revisionsaktieselskab
Engholm Parkvej 8 3450 Allerød CVR nr. 25 16 00 37
telefon 45 81 45 91 www.piaster.dk

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Managing Director has approved the annual report of SiPhotonIC ApS for the financial year 1 January - 31 December 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

The Managing Director consider the conditions for audit exemption of the 2023 financial statements to be met.

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

We recommend that the annual report be approved at the Annual General Meeting.

Virum, 15 March 2024

Managing Director

Yunhong Ding

Practitioner's compilation report

To the Management of SiPhotonIC ApS

We have compiled the financial statements of SiPhotonIC ApS for the financial year 1 January - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Alleroed, 15 March 2024

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Niels Kristian Tordrup Mørk

State Authorised Public Accountant
mne35462

Company information

The company

SiPhotonIC ApS
Virum Stationsvej 207
2830 Virum

Company reg. no. 39 93 46 39
Established: 5 October 2018
Domicile: Lyngby-Taarbæk
Financial year: 1 January - 31 December

Managing Director

Yunhong Ding

Auditors

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab
Engholm Parkvej 8
3450 Allerød

Parent company

SiPhotonIC Holding ApS

Management's review

Primary activities of the company

The company's primary activities is to design and fabricate advanced silicon photonic integrated circuits and other related activities.

Development in activities and financial matters

The company's financial performance is considered unsatisfying.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	367.712	91.932
1 Staff costs	-506.905	-109.950
Operating profit	-139.193	-18.018
Other financial income	45.049	7.800
2 Other financial expenses	-23.151	-51.533
Pre-tax net profit or loss	-117.295	-61.751
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-117.295	-61.751
Proposed distribution of net profit:		
Allocated from retained earnings	-117.295	-61.751
Total allocations and transfers	-117.295	-61.751

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
Deposits	5.600	0
Total investments	5.600	0
Total non-current assets	5.600	0
Current assets		
Trade receivables	158.743	278.928
Other receivables	112.730	45.831
Total receivables	271.473	324.759
Other financial investments	172.235	249.023
Total investments	172.235	249.023
Cash on hand and demand deposits	268.977	180.548
Total current assets	712.685	754.330
Total assets	718.285	754.330

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	62.500	62.500
Retained earnings	502.938	620.233
Total equity	<u>565.438</u>	<u>682.733</u>
Liabilities other than provisions		
Prepayments received from customers	40.871	0
Trade payables	18.500	18.500
Payables to group enterprises	41.245	43.245
Other payables	52.231	9.852
Total short term liabilities other than provisions	<u>152.847</u>	<u>71.597</u>
Total liabilities other than provisions	<u>152.847</u>	<u>71.597</u>
Total equity and liabilities	<u>718.285</u>	<u>754.330</u>

3 Disclosures on fair value**4 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	62.500	681.984	744.484
Retained earnings for the year	0	-61.751	-61.751
Equity 1 January 2022	62.500	620.233	682.733
Retained earnings for the year	0	-117.295	-117.295
	62.500	502.938	565.438

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	502.613	109.579
Other costs for social security	<u>4.292</u>	<u>371</u>
	<u>506.905</u>	<u>109.950</u>
Average number of employees	<u>1</u>	<u>1</u>
2. Other financial expenses		
Financial costs, group enterprises	3.000	0
Other financial costs	<u>20.151</u>	<u>51.533</u>
	<u>23.151</u>	<u>51.533</u>
3. Disclosures on fair value		
	<u>Listed bonds</u>	<u>Listed shares</u>
Fair value at 31 December 2023	<u>151.398</u>	<u>20.837</u>
Unrealised change in fair value of the year recognised in the statement of financial activity	<u>21.200</u>	<u>3.507</u>

4. Contingencies

Joint taxation

With SiPhotonIC Holding ApS, company reg. no 39 93 12 30 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for SiPhotonIC ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

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

Other financial investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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Yunhong Ding

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Niels Kristian Tordrup Mørk

PIASTER REVISORERNE, STATS-AUTORISERET REVISIONSAKTIESELSKAB

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Revisor

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